



# ANNUAL REPORT 2014

GROUP LEASE PUBLIC COMPANY LIMITED

*First, Fast & Forward*

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รายงานประจำปี 2557

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Investors may view additional information from the Annual Information Disclosure Form (56-1) of the Company shown in [www.sec.or.th](http://www.sec.or.th) or the company website at [www.grouplease.co.th](http://www.grouplease.co.th)

## Message from the Chairman

The year 2014 marks an important turning point for our company – I mean turning for the better. As we consolidated our operations in Thailand after two years of economic slowdown, we also stepped up our efforts to expand our businesses into the high-growth and high-profit markets of CLMV (Cambodia, Laos, Myanmar and Vietnam). I am pleased to report that our first major expansion into Cambodia has proven successful and I am confident that we will achieve greater success and more profits in the years to come as we enter other markets in Thailand's neighboring countries.

Our success in Cambodia has not come by chance. It is the result of two years of exhaustive preparations, concerted efforts and dedicated commitment on the part of our management and staffs there. The fruits of their success are reflected in our company's record-high net profits of 93 million baht in Q4 of 2014, of which over 20% was accounted for by profits from our subsidiaries. And GL Finance (GLF) one of our subsidiary has now established a comprehensive network of POSs (Points of Sales) for the popular HONDA motorcycle brand and KUBOTA farm machineries in all parts of Cambodia to facilitate and support even more aggressive sales. Therefore, I have strong confidence that our financial performance in Cambodia will continue to grow by leaps and bounds.

The successful business model in Cambodia will be replicated in Laos, where we were waiting for a license from the Lao national bank to operate similar leasing business. Although Laos is a small country, it nonetheless offers strong growth potentials for both motorcycle and farm machineries, especially in the rural areas where the normal banking services are not available. As of early 2015, all preparations were completed and the system was ready to go immediately upon the issuance of the license. Because the same systems have been successfully tested in Cambodia previously, I expect the Lao operations to take a much shorter break-even period compared to Cambodia.

Apart from Cambodia and Laos, we are also seriously studying the markets in Myanmar where business is booming as the local government's political and economic reforms have been gathering momentum. I reckon we shall be able to kick-start similar leasing business in Myanmar in 2016. As for Vietnam, negotiations have been ongoing for the possible takeover of similar leasing and finance-related businesses.

While the expansion into CLMV is top priority, we are also pursuing our broader objective to become a leading “ASEAN Regional Finance Company” by planning to enter the Indonesian market, which is the largest in ASEAN. I am pleased to report that this should become a reality soon after we forged a strategic alliance in early 2015 with the J Trust Group of Japan which subscribed to US\$30 million worth of our convertible debentures. We plan to enlist the cooperation of J Trust’s banking subsidiary in Indonesia – PT Bank Mutiara – to facilitate our entry into the market there soon.

In Thailand itself, we are consolidating a much larger business base after our takeover of Tanabun in mid-2014. Going forward, I am confident that we can use our Thailand headquarters as a springboard to expand into other Southeast Asian countries to capitalize on the enormous potentials that will open up alongside the emerging ASEAN Economic Community (AEC).

Finally, I’d like to take this opportunity to thank all our stake-holders – our business partners, our clients, our management and staffs – for their support all along which is crucial behind our success so far. I trust all of you will continue to provide your full support and cooperation so that we can together achieve much bigger things in the years ahead.

**Mitsuji Konoshita**  
**Chairman of the Board**

## Report of the Audit Committee

The Audit Committee of Group Lease Public Company Limited comprises of 4 Independent Directors, namely, General Suebsan Dardarananda as President of Audit Committee, Mr. Sonit Pichyangkul, Mr. Pholdej Therdphithakvanij and Mr. Krit Phanratanamala as members of the Audit Committee. In 2014, the present Audit Committee had conducted 12 meetings with management and internal auditor, the opinions are as follows :

- Financial Statement** From the review of the Company's financial statements with the management and the external auditors, it appeared that the quarterly and yearly financial statements have been done correctly in accordance with the generally accepted accounting standard principles, complete and reliable.
- Internal Control System** The Company had set up Internal Audit unit reported directly to the Audit Committee to undertake the internal auditing function. It was found that the Company's internal control system was sufficient, transparent and can be inspected. This was efficiently done through the cooperation from all relevant departments.
- Compliance to the Laws** The Company strictly complied to all the SEC's and SET's laws and regulations including laws and regulations from other regulators in relevant to the Company's business.
- The External Auditor** E Y Office Limited was appointed the Company's external auditor for the year 2014 which was the eighth consecutive year. The auditing was done under the generally accepted accounting standard while the remunerations were reasonable.
- Transactions that may cause conflicts of interest** The Audit Committee considered that the Company's related party transactions were reasonable, justified and was done for good faith of the Company and complied with the rules and regulations of the Stock Exchange of Thailand.
- The Meeting Attendance of each Audit Committee**

Name	Audit Committee Meeting	Board of Director Meeting
General Suebsan Dardarananda	12/12	17/18
Mr. Sonit Pichyangkul	12/12	18/18
Mr. Pholdej Therdphithakvanij	12/12	18/18
Mr. Krit Phanratanamala	11/12	18/18

From the overall auditing of the Company's management operating systems, the Audit Committee has the opinion that the Company has efficient and transparent systems which can be inspected in every process. The record keeping system is accurate and compatible in each department so that the data can be used as reference among different departments. Moreover, the Audit Committee also encourages the application of good corporate governance of the SET for the Company. Eventually, comments, advices as well as improvement guidelines were given for the utmost benefits of the Company as a whole.

**Audit Committee**  
**Group Lease Public Co., Ltd.**

## Policy and Business Overview

Group Lease Public Company Limited or GL was established on May 6, 1986, undertaking automobile hire purchase business in Bangkok and upcountry. During the year 1990, the new group of shareholders acquired the business from the existing shareholders, and focus on the hire purchase business of motorcycles while slowing down the automobile hire purchase. After that the Company had expanded hire purchase of other things such as trucks, machineries, printing presses as well as the financial leasing, factoring contracts, asset financing and personal loans. Later on from the year 2004, the core business of the Company has been hire purchase of motorcycles only. The Company had been increasing its registered capital continuously from 1 million Baht to 720,926,136 Baht and the paid up capital of 545,384,816 Baht.

In 2007, the group of major shareholders change to APF Group (The companies in the same group are Engine Holdings Asia Pte. Ltd. and A.P.F Holdings Co., Ltd.) which as at 30 December, 2014 holding 483,295,235 shares or 44.51% of total issued and paid-up capital of the Company.

### Vision, Objectives or Strategies in Business Operation

Currently, the Company's vision is "To Become the Leading ASEAN Regional Finance Company" (ARFC).

In the year 2013, the Company had expanded its hire purchase of motorcycle business into Cambodia and had received exclusive rights of HONDA motorcycle leasing in Cambodia and also signed MOU to become business partnership with Siam Kubota Corporation Co.,Ltd., the leading manufacturer of agricultural equipment in Cambodia and had started opening POSs in Kubota dealers in Cambodia in Jan. 2014. Moreover, the Company also plans to expand its business into other countries in ASEAN regional shortly.

The Company's objective for its 3-year business plan from 2014 – 2016 has been to expand its hire purchase services of motorcycles within Bangkok & Metropolitan and provincial areas as well as overseas at an average growth rate approximately 10 % per annum.

### Changes and Important Development

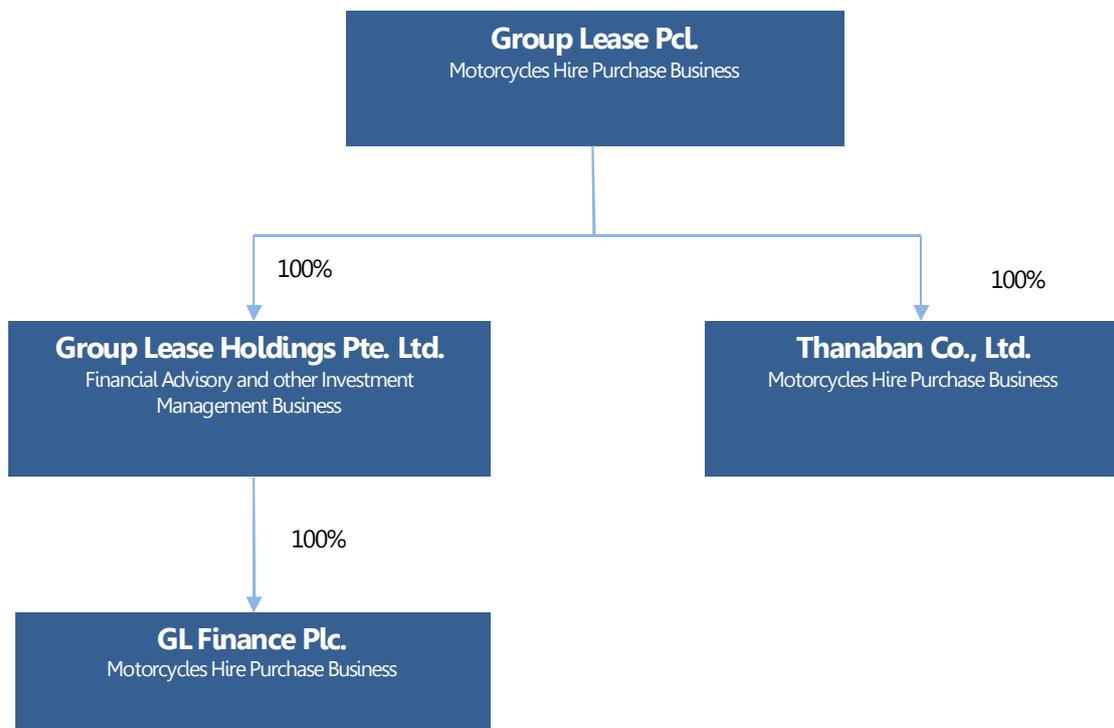
In 2012, the Company built up new record of net profit due to rapid expansion of the business since the second quarter and continuously throughout the year. The growth of the portfolio resulted in a significant recovery of the hire purchase interest income while the amount of provision for doubtful debts was still low from the recovery in the flood crisis and the increasing of portion of the new accounts receivable. Moreover, the Company was able to maintain the debt collection effectively. Overall the Company could make much more profit compared to the last year. In addition, the Company had invested in a subsidiary, Group Lease Holdings Pte.Ltd. or GLH which is a holding company located in Singapore to use as an investment expansion base in other countries.

In 2013, Group Lease Holdings Pte.Ltd. had acquired 100% common shares of GL Finance Plc. or GLF to undertake motorcycle hire purchase business in Cambodia. GLF had acquired exclusive right from Honda Dealer in Cambodia and had currently opened altogether 121 point of sales in Honda Dealer shops and also opened altogether 32 point of sales to provide Kubota agricultural machinery hire purchase service all over Cambodia. As for business in Thailand, the Company had expanded new service locations in some new areas of Bangkok and Metropolitan and also in provincial areas especially in the eastern, western and northeastern parts of the country.

In early 2014, due to the continuous business expansion, Collection department has been separated into a new department in which collection functions was specially taken care of by a General Manager – Collection. In addition, around midyear, the Company had acquired the whole business of Thanaban Co., Ltd. which is in the same field of industry. This equipped the Company to accelerate business expansion under its management policy immediately at about 30%. And we believed that Thanaban can help strengthen competitiveness in the domestic market for the Company in the future.

## The Shareholding Structure of the Group Companies

The group companies' structure and their respective business and shareholdings are as follows:



## Nature of Business

Core business of the group Company is the hire purchase of motorcycles only. The motorcycle price that the Company usually provides financing is about 46,000 baht each with the well known, easy-to-sell brands such as Honda, Yamaha, Suzuki and Kawasaki. The hire purchase financing of motorcycle is a form of financial service comprises of 3 parties, namely the customer or person applies for hire purchase, dealer or the seller of motorcycle and the Company or the hire purchase service provider. Customers can repay for motorcycle by 12 – 36 months installment payment. Once all the repayments and other conditions set forth in the contract are settled completely, the customer shall have the right as the owner of such motorcycle. Our hire purchase service can be found in any of the motorcycle dealers' shop about 200 shops around Bangkok & Metropolitan as well as in nearby provincial areas.

Apart from the hire purchase financing of motorcycles service, the Company also provides other after sales services, such as service for annual vehicle tax extension and insurance, to add more channels to the Company's revenues and to protect risk for the assets which is the collateral for hire purchase.

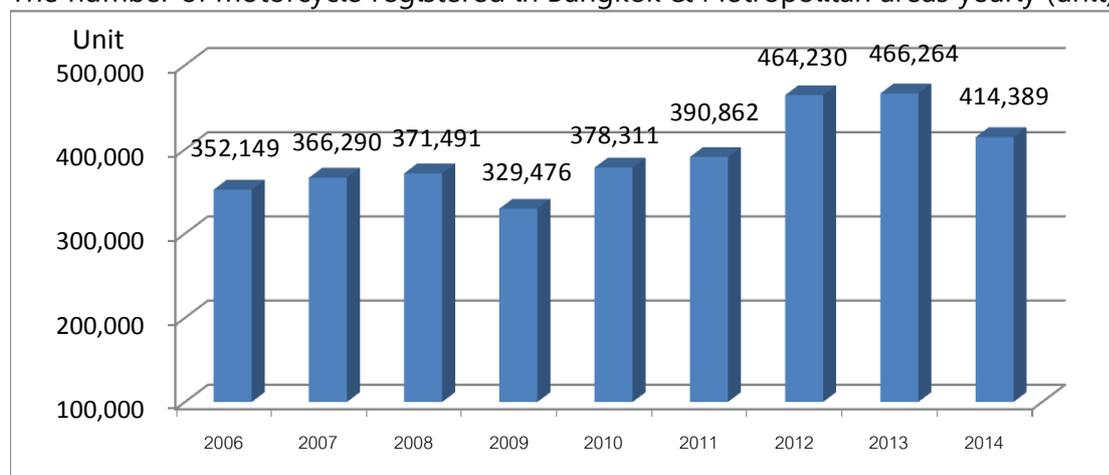
## Revenue Structure of the Group Company

The Company's Revenue	2014		2013		2012	
	('000)	(%)	('000)	(%)	('000)	(%)
Hire Purchase and Asset Financing	1,666.74	89.03	1,258.28	85.51	837.22	87.42
Other Income*	205.33	10.97	213.26	14.49	120.44	12.58
<b>Total</b>	<b>1,872.07</b>	<b>100.00</b>	<b>1,471.54</b>	<b>100.00</b>	<b>957.66</b>	<b>100.00</b>

\*Other income consists of Bad debt recovery, penalty of hire-purchase and installment sale, registration service fee, insurance service fee, collection fee and others

## Competition Situation

The number of motorcycle registered in Bangkok & Metropolitan areas yearly (unit)



Source: Department of Land Transport

The total sales of motorcycle have direct impact on motorcycle hire purchase business. Considering the rising number of total sales of motorcycle, it implies that motorcycles can best serve the people's traveling needs in heavy traffic environment of Bangkok and metropolitan areas on its convenience and speed. As long as the Mass Transit Organization System is unable to serve people's needs, using a motorcycle is certainly a good traveling alternative and vital for business operating. In addition, motorcycles have been designing by using high technologies so that they are modernized and more beautiful as well as convenience, such as automatic transmission, which could get good feedback from the consumers. Those aspects make motorcycle popular and make the motorcycle leasing business more attractive for investment. It's noticeable that there are increasing numbers of new entrepreneurs coming into this industry. This, unfortunately, also results in higher competition.

In 2014, the number of newly registered motorcycle in Bangkok & Metropolitan was 414,389 units which decreased 11.13% from the year 2013 which had a total of 466,264 units. This was due to the impact on both inbound and outbound economic situation. For outbound factor, the economy in many countries was under recession especially Europe while in the US there has just been a recovery sign. As a result, the overall export from Thailand to other countries had not been back to normal stage. As for inbound factor, the economy still continues to be affected by prolonged political problem since the second half of 2013 till Q2/2014. Consequently, both spending from government and household sectors were at low level. However, for 2015, it was expected that for the first half of the year although there might not be a clear recovery indicator, the trend should be better due to the unwinding political situation which will support the government to start many big projects in order to accelerate the country's economy. Therefore, we may expect the motorcycle industry of the second half of the year to start recovers. However the growth rate depends on other factors such as export capability, agricultural product price, commodities price especially the oil price.

## Procurement of Fund

Sources of fund of the Company group as of 31 December, 2014, 2013 and 2012 comprised of:

	Separated Financial Statement					
	2014		2013		2012	
	Million ฿	%	Million ฿	%	Million	%
Bank overdraft and short-term loans from financial institutions	250.00	3.51	13.55	0.25	50.00	1.48
Loans from Financial institutions *	3,859.86	54.19	3,097.52	57.74	1,721.96	51.08
Debenture	488.30	6.85	-	-	-	-
Trade accounts payable	6.35	0.09	3.22	0.06	14.42	0.43
<b>Total</b>	<b>4,604.51</b>	<b>64.64</b>	<b>3,114.29</b>	<b>58.05</b>	<b>1,786.38</b>	<b>52.99</b>
Shareholders' equity	2,518.94	35.36	2,250.69	41.95	1,584.92	47.01
<b>Total sources</b>	<b>7,123.45</b>	<b>100.00</b>	<b>5,364.98</b>	<b>100.00</b>	<b>3,371.29</b>	<b>100.00</b>

*Remark: \* loans from financial institutions are long-term loans payable within 30 installments specified in the loan agreement. The first repayment starts on the first payment of interest after the withdrawing date of the loan according to the credit line.*

	Consolidated Financial Statement					
	2014		2013		2012	
	Million \$	%	Million \$	%	Million	%
Bank overdraft and short-term loans from financial institutions	250.00	3.50	13.55	0.25	50.00	1.48
Loans from Financial institutions	3,859.86	54.07	3,097.52	57.61	1,721.96	51.03
Debenture	488.30	6.83	-	-	-	-
Short-term loans	19.80	0.28	-	-	-	-
Trade accounts payable	9.07	0.13	4.32	0.08	14.42	0.43
<b>Total</b>	<b>4,627.03</b>	<b>64.81</b>	<b>3,115.39</b>	<b>57.94</b>	<b>1,786.38</b>	<b>52.94</b>
Shareholders' equity	2,512.26	35.19	2,261.08	42.06	1,587.81	47.06
<b>Total sources</b>	<b>7,139.29</b>	<b>100.00</b>	<b>5,376.47</b>	<b>100.00</b>	<b>3,374.19</b>	<b>100.00</b>

*Remark: \* loans from financial institutions are long-term loans payable within 30 installments specified in the loan agreement. The first repayment starts on the first payment of interest after the withdrawing date of the loan according to the credit line.*

## Risk Factors

### Risks of external sources of funding

To operate hire-purchase business continuously adequate source of fund is needed. At present, the Company's major source of fund comes from 2 sources : loan from financial institution and cash flow from operation.

As of December 31, 2014 the overdrawn and financial institution loan outstanding balance was 4,109.86 million Baht which was mostly a long-term loan. The long-term credit facilities of the Company which have not yet drawn down amounted to 115.10 million Baht.

During the past, the Company mainly used loan from the bank and has a very good repayment record and also able to follow the conditions of the facility contracts such as to maintain the debt to equity ratio and to maintain hire – purchase receivable to loan ratio so that the Company can reduce risk from the lack of external sources of fund.

### Risks of loan interest rates

The main revenue of the Company comes from interest received from motorcycle hire purchase financing. Changing in the interest rates will directly affect the Company's profitability : the net yield rate comes from hire purchase receivable yield rate deduct the cost of loan interest rate. If loan interest rate rises, the cost of funding will be increased while hire purchase interest rates are fixed at the period of hire purchase contract.

### Risks on the incompatible between the term of the sources of fund and hire purchase contract term

Normally the hire purchase installment period varies from 12 - 36 months (average is 30 months) so that the Company has to set policy to determine the repayment period for long term facility agreement from financial institution to be compatible with the installment period for the liquidity of business operation. However, cash flow which covers future hire purchase receivable growth has been assessed to analyze and evaluate liquidity in order to plan for the financial support to be compatible with the hire purchase contract conditions for smooth business operation.

## Risks on the operation which may lead to non performing loans

At present, the hire purchase of motorcycles is not limited by any rules or special laws from the Government. Therefore, companies in the hire purchase of motorcycles business can expand their business, limited only by their own capacity. However, the risk might occur from the non performing loan from careless credit approval process if there is lack of good internal control systems.

The Company will strictly consider on every approval process giving the importance on the credit quality by checking the customers' data from the Company's database system of more than 500,000 persons and by being a member of The National Credit Bureau Company Limited and also a member of Motorcycle Hire-Purchase Association of Thailand. The Company can screen the customers' credit effectively from these 3 data sources. As of December 31, 2014, the group Company has non performing loan amount 632.60 million Baht or 8.70 % of total receivables. When compared to the non performing loan as of December 31, 2013 which was 8.65% of total receivable, the rate of NPL was slightly increased at 0.58% while the Company has set aside the allowance for doubtful debt on December 31, 2014 and 2013 at 560.31 million and 390.69 million Baht, respectively or the Ratio of Allowance for Doubtful Debt to Total Receivable at 8.43 and 7.94, respectively. The ratio of allowance for doubtful debt to total receivable increased from the increase in the amount of account receivable which is in accordance with the continued growth of new contract in the past period and from the economic and political factors which were recovering but still impact on the 2014 financial statement

## Risks on losses on sales of repossessed motorcycles

The Company will repossess the motorcycles if the customer did not pay installment specified in the hire purchase agreement. The motorcycles will be sold by auction to the used motorcycle dealers in Bangkok Metropolitan and provincials. The net receivable of each motorcycle is normally higher than the price of repossessed motorcycle so if the Company cannot claim that loss from the debtor or guarantor, the sale of repossessed motorcycles will be recorded a loss.

However, in order to prevent such risk, in the first place, the Company has set up strict guideline and system in approving the credit by checking the information from the Company's database, National Credit Bureau (NCB) and Motorcycle Hire-Purchase Association in determining the quality of the borrowers before granting the loan. The Company also develops collection service to avoid having much repossessed motorcycle amount which may increase from business expansion.

## **Risks on the influence of the major shareholder to business management**

A.P.F Holdings Co., Ltd., the Company's major shareholder and Engine Holdings Asia Pte., Ltd. which is in the same group of company ("APF group shareholder") is holding a total of 483,295,235 shares or 44.51% of registered and fully paid-up capital of 1,085,769,632 shares of the Company as of 30 December, 2014 which is almost half of the total shares eligible for the APF Group to control any resolutions which legally require more than half of voting from the shareholders' meeting and that the other minor shareholders are not able to do the check and balance effectively.

## **Risks on competition and new competitors in the hire purchase finance of motorcycles**

To operate motorcycle hire purchase business, there is no need to invest in many materials or tools but only sufficient source of fund for hire purchase financing. However, the key of success is not only the source of fund but also some expertise such as credit quality evaluation skill and collection follow-up. Many competitors failed in this business because of the lacking of these capacities.

Motorcycle dealers are the important persons who introduce clients to use our hire purchase services. Therefore, there is a risk if dealers do not recommend our services to the customers.

As a result, fast process on credit analysis and approval together with efficient information technology system to support the operation and the experienced human resources who have expertise in the business are very necessary so that the Company can approve credit very fast which satisfy dealers' needs. Besides, with our own information technology system which specially developed to suit the business and personal expertise, the Company can also provide the customers and dealers with fast service in checking the outstanding balance for the closing of accounts.

## General and Other Significant Information

### General Information

Company Name	: Group Lease Public Company Limited.
Location	: 63 Soi 1 Thetsabannimitrtai Road, Ladyao, Chatuchak, Bangkok 10900.
Core Business	: Hire purchase financing of motorcycles.
Registration Number	: 0107537000327 (old number Bor Mor Jor. 279)
Telephone	: 0-2580-7555
FAX	: 0-2954-2902-3
Home Page	: <a href="http://www.grouplease.co.th">www.grouplease.co.th</a>
E-mail	: <a href="mailto:glpcl@grouplease.co.th">glpcl@grouplease.co.th</a>
Registered Capital	: 720,926,136 Baht divided into 1,441,852,272 ordinary shares at 0.50 Baht par value
Paid-up Capital	: 545,384,816 Baht divided into 1,090,769,632 ordinary shares

### Corporations in which Group Lease PCL holds more than 10% of shares

1. Company name	: Group Lease Holdings Pte. Ltd.
Address	: 80 Raffles Place #32-01, UOB Plaza, Singapore (048624)
Core Business	: Financial Advisory and other Investment Management business
Amount and type of share	: Ordinary shares of 17,684,318 shares or equal to SGD17,694,218
2. Company name	: GL Finance Plc. (held 100% by Group Lease Holdings Pte. Ltd.)
Address	: 270-274 Kampuchea Krom Blvd, Sangkat Mittapheap, Khan 7 Makara, Phnom Penh, the Kingdom of Cambodia
Core business	: Hire purchase financing
Home Page	: <a href="http://www.gl-f.com">www.gl-f.com</a>
Telephone	: 023 990 330
FAX	: 023 990 327
Amount and type of share	: Ordinary shares of 31,500 shares or equal to US\$6,300,000

3. Company name : Thanaban Company Limited  
Address : 63 Soi 1 Thetsabannimitrtai Road, Ladyao, Chatuchak, Bangkok 10900.  
Core business : Hire purchase financing of Motorcycles  
Registration Number : 0105521022758 (old number 2277/2521)  
Telephone : 0-2580-7555  
FAX : 0-2954-2902-3  
Registered Capital : 565,000,000 Baht divided into 5,650,000 ordinary shares at 100 Baht par value  
Paid-up Capital : 565,000,000 Baht divided into 5,650,000 ordinary shares

### Other References

- Share Registrar : Thailand Securities Depository Co., Ltd.  
62 The Stock Exchange of Thailand Building 4,6-7th Floor,  
Rachadapisek Road, Klongtoey, Bangkok 10110.  
Tel : 0-2229-2800 or 0-2654-5599 Fax : 0-2359-1259  
Call center : 0-2229-2888  
Website : <http://www.tsd.co.th>
- Auditor : Ms. Rungnapa Lertsuwankul  
Certified Public Account No. 3516  
E&Y Office Limited  
33rd Floor, Lake Rajada Office  
Complex 193/136-137 Rajadapisek Road Klongtoey,  
Bangkok 10110 Tel. 0-2264-0777 Fax 0-2661-9192  
Email Address : [ernstyoung.thailand@th.ey.com](mailto:ernstyoung.thailand@th.ey.com)
- Legal Advisor : Mr. Kaptan Jeerasete  
63 Soi 1 Thetsabannimitrtai Road, Ladyao, Chatuchak,  
Bangkok 10900. Tel. 0-2580-7555, Fax. 0-2954-2902-3

## Shareholders

List of top 10 shareholders as of 30 December, 2014 are as follows:

Name	Amount (shares)	%
A.P.F.Group :		
Engine Holdings Asia Pte.Ltd. <sup>1</sup>	324,384,044	29.88
A.P.F.Holdings Co., Ltd. <sup>2</sup>	158,911,191	14.64
SIX SIS LTD.	185,745,642	17.1
Thai NVDR Co., Ltd.	61,291,417	5.65
Mr.Sutthipong Vesvarut	61,202,700	5.64
Mr.Prayong Vanichsuwan	39,432,900	3.63
Thailand Securities Depository Co.,Ltd. for depositor	32,656,729	3.01
Mr.Rachen Krissaralumn	21,931,100	2.02
KBL EUROPEAN PRIVATE BANKERS S.A.	14,134,473	1.30
Mr.Sompong Silpsomboon	9,103,703	0.84
Mr.Visuth Foofeungmongkolkij	6,000,000	0.55
Total	914,793,899	84.25

Remark <sup>1</sup>Engine Holdings Asia Pte.Ltd.undertakes investment business. Shareholder is Wedge Holdings Co.,Ltd. which is a listed company incorporated in Japan holding 58 million shares (or 100% of the paid-up capital)

<sup>2</sup>A.P.F.Holdings Co.,Ltd. Undertakes investment business. Shareholder is Sanwa World Service Co.,Ltd. Which undertakes accounting advisory business holding 27 million shares(or 49% of paid-up capital) and A.P.F.Capital Thailand Co.,Ltd. Which undertakes investment business holding 12 million shares(or 21.71% of paid-up capital)

## Issuance of Other Securities

1. Type: Warrants entitled to purchase ordinary shares of Group Lease Pcl No. 6(GL-W2)  
 Term of warrant: 2 years from the issued date or 1 Nov. 2012  
 Amount issues: 22,775,694 units  
 Amount of the ordinary shares reserved for the exercise: 22,990,927shares (before right adjustment)  
 Exercise ratio: 1 unit of warrant per 11.8360 new ordinary share (after the right adjustment due to stock dividend payment and splitting of par value)  
 Exercise price: Baht 2.95708 per share (after the right adjustment due to stock dividend payment and splitting of par value)  
 Unexercised Amount: 226,218 units  
 Maturity date: 31 October, 2014
2. Type: Warrants entitled to purchase ordinary shares of Group Lease Pcl No. 7(GL-W3)  
 Term of warrant: Not exceeding 2 years from the issued date or 2 December, 2013  
 Amount issues: 332,783,154 units  
 Amount of the ordinary shares reserved for the exercise: 341,568,986shares  
 Exercise ratio: 1 unit of warrant per 1new ordinary share  
 Exercise price: Baht10.00per share  
 Unexercised Amount : 332,783,154 units  
 Maturity date: 30 November, 2015
3. Type: Warrants entitled to purchase ordinary shares of Group Lease Pcl No. 5under ESOP No.4 (GL-WD)  
 Term of warrant: 3 years from the issued date  
 Amount issues: 1,000,000units  
 Amount of the ordinary shares reserved for the exercise: 1,000,000shares (before the right adjustment)  
 Exercise ratio: 1 unit of warrant per 11.8360 newordinary share  
 Exercise price: Baht1.65766per share  
 Unexercised Amount : 1,000,000units (exercise once on maturity date)  
 Maturity date: 14 May, 2015
4. Type: Specified holder's name Debenture, unsubordinated partially secured with bondholders delegates  
 Name of Debenture: partially secured debenture of Group Lease Pcl. No. 1/2557 (2014) matured in 2017  
 Amount : 500,000,000 Baht  
 Term: 3 years from the issuing date of debenture  
 Interest rate: 27 August, 2014 - 29 September, 2014 at 4.17% p.a.  
 30 September, 2014 to maturity date at 4.55% p.a.  
 Issue date : 27 February, 2014  
 Maturity date : 27 February, 2017

## Dividend Payment Policy

The dividend payment policy of Group Lease Public Company Limited states that dividend will be paid not less than 40 percent from net profit after deducting tax and other legal reserves. In considering the dividend payment, other factors such as The Company's operating result as well as its financial position and liquidity should also be considered. Payment of dividend has to be considered and approved by the shareholders. However, the Board of Directors is able to approve interim dividend payment and the shareholders shall be acknowledged about the interim dividend payment in the next shareholders' meeting.

As for the Company's subsidiary, the dividend policy is to be paid at the rate not less than 70% of the net profit.

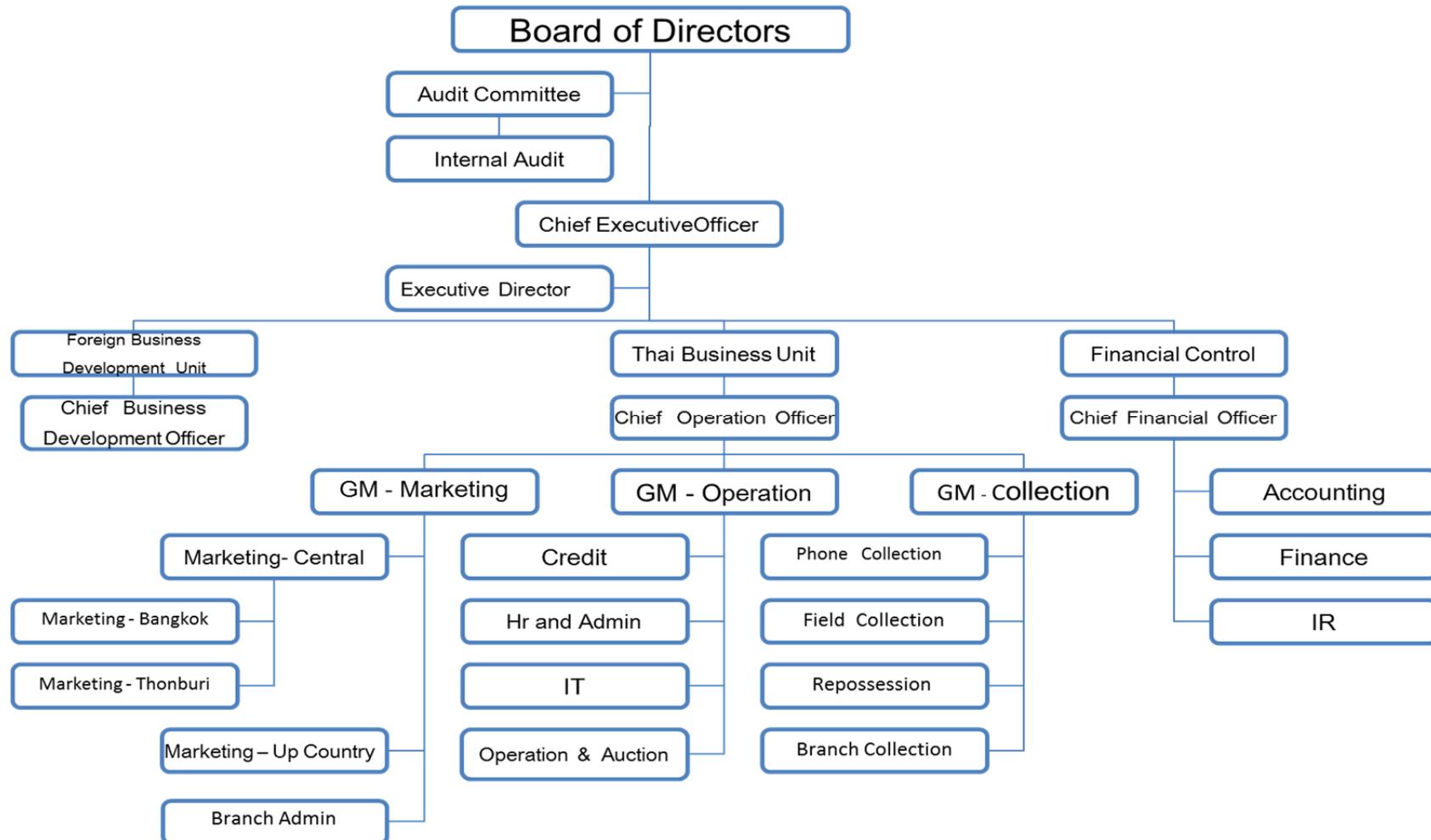
Dividend payment records for the past years are as follows:

Separated Financial Statement					
Year	2014	2013	2012	2011	2010
Earnings per share	0.14	0.27	0.43	3.65	4.67
Dividend per share	N/A	0.17	0.31	2.51	3.25
% of dividend per net profit	N/A	64.52	69.79	68.85	69.65

\*\*Years 2012 and 2013 after adjustment, par value of ordinary shares was 0.50 Baht per share

\*\*Years 2010 to 2011 before adjustment, par value of ordinary shares was 5.00 Baht per share

## Management Structure



## Board of Directors

### Board of Directors Structure

As of 31 December, 2014, the Company's Board of Directors consisted of 10 directors divided into 5 executive directors and 5 non-executive directors of which 4 members were Independent Directors who were also carry out the duties of Audit Committee. The proportion of Audit Committee members which was more than one-third of the total member of the Board of Directors provides sufficient check and balance. The Company's directors have the different qualifications in terms of skills, experiences and special expertise which are beneficial to the Company such as in management, financial and accounting fields and there are at least 2 directors, 1 executive director and 1 independent director, who have direct experience in hire-purchase business which is the core business of the Company.

List of the Board of Directors, term of office and their meeting attendance in 2014 are shown below:

Name	Position / Term of Office	Board of Directors' Meeting	
		Total number of meeting	Total Attendance
1. Mr. Mitsuji Konoshita	Chairman of the Board and CEO /2012-2015	18	18
2. Mr. Tatsuya Konoshita <sup>1</sup>	Director and Chief Business Development Officer /2013-2015	18	10
3. Mr. Muneo Tashiro	Director /2014-2017	18	18
4. Mr. Somchai Limpattanasin	Director and Chief Operating Officer /2013-2015	18	18
5. Mr. Worasak Kriengkamol <sup>2</sup>	Director and Executive Director / 2013-2015	18	16
6. Mr. Deepong Sahachartsiri	Director and Chief Financial Officer / 2012-2015	18	18
7. Gen.Suebsan Dardarananda <sup>3</sup>	Chairman of Audit Committee / Independent Director / 2013-2015	18	17
8. Mr. Sonit Pichyangkul	Audit Committee / Independent Director /2014-2017	18	18
9. Dr. Pholdej Therdphithakvanij	Audit Committee / Independent Director /2014-2016	18	18
10. Mr. Krit Phanratanamala	Audit Committee / Independent Director /2014-2016	18	18

Reasons for absence: <sup>1</sup>business trips abroad and the meeting date was postponed or changed not on schedule and/or extra meeting was called

<sup>2</sup>business trips abroad

<sup>3</sup>engaged in significant and urgent business

## Term of Office

It was clearly stated in the Company's Articles of Association that one-third or nearest to one-third of the Directors who has the longest term of office shall retire by rotation in each AGM. At present, the number of retired by rotation directors is 4 persons each year but those retired still have opportunity to be nominated for re-election. The term of office of Audit Committee is set to be 2 years and can also be renewed. Currently, there has not been any limitation on the maximum term of office of the independent director.

## Definition of Independent Directors

The Company defines the qualifications of the Independent Directors in accordance with the SEC regulations as follows :

- An Independent Director does not hold more than 1% of paid-up shares in the Company, parent company <sup>(1)</sup>, its subsidiary <sup>(2)</sup>, affiliated company <sup>(3)</sup> or related company or any legal entity that has related persons <sup>(4)</sup>.
- An Independent Director is not an employee, staff member, an advisor who receives a regular salary or a controlling party of the Company, its parent company, its subsidiary, affiliated company or any legal entity that has related persons. (present and 2 years before appointment)
- An Independent Director is not an immediate family member or a person legally occupying similar status as parents, spouse, siblings, sons and daughters including spouses of sons and daughters of an executive officer of the Company, a major shareholder, a controlling person or an individual who will be nominated to be an executive officer of the Company or any of its subsidiary.
- An Independent Director does not have business relationship with the Company, its parent company, its subsidiary, affiliated company or any legal entity, which has related persons that the relationship does not interfere with his exercise of independent judgment. And among other things materiality in making an independent opinion regarding the operation of the Company.

**Note :** (1) A parent company is the company that holds more than 50% of the Company's paid-up capital. (2) A subsidiary is the company that we hold more than 50% of its paid-up capital. (3) An affiliated is the company that we hold more than 20 % but not more than 50% of its paid-up capital. (4) legal entity that has related persons includes those who hold more than 10% of its paid-up capital.

All 4 Independent Directors have qualifications required for the Independent Director and are also members of the Audit Committee in accordance with the SEC notification korlortor.kor.(wor) 32/2551 as of June 5<sup>th</sup>, 2008.

## Directorship of the Directors in Other Listed Companies

The Company does not limit the number of directorship of the Company's Directors in other listed companies as most of them had been a director of such companies before joining the Company. However, at present, there has not been any director who takes up directorship in other listed company more than 5 companies. Nevertheless, each director was evaluated on their time contribution to the Company in which all directors had always

given high contribution to the Company which could probably show in the attendance report.

As for the executives, as they have to work full time in the Company, they are not likely to be director of other companies except the Company's subsidiary or company in the same group. The number of directorship of each director in other listed companies except subsidiary companies for FY2014 are as follow :

Directors' Name	Title	Number of Directorship in other listed companies
Mr. Mitsuji Konoshita	Chairman of the Board of Directors	-
Mr. Tatsuya Konoshita	Director	2
Mr. Muneo Tashiro	Director	1
Mr. Deepong Sahachartsiri	Director	-
Mr. Somchai Limpattanasin	Director	-
Mr. Worasak Kriengkamol	Director	-
Gen. Suebsan Dardarananda	President of Audit Committee/ Independent Director	-
Mr. Sonit Pitchyangkul	Audit Committee/ Independent Director	-
Mr. Pholdej Therdphithakvanij	Audit Committee/ Independent Director	-
Mr. Krit Phanrattanamala	Audit Committee/ Independent Director	2

### Chairman and CEO (the highest management)

Since 2012, the Company had reorganized its management structure so that the Chairman had taken another position as CEO. Despite this, the roles and duties of the Board of Directors and the management were clearly separated and besides, we also have Audit Committee who is the Independent Director and can help doing the check-and-balance of management.

### Duties and Responsibilities of Board of Directors

Directors take responsibility in managing the company's operation in compliance to the laws, Company's objectives, its regulations and resolutions from shareholders' meeting with integrity and fiduciary duty, which can be concluded as follows :

1. To determine the Company's objectives, directions, policies, plans, and budget, and to control and supervise the management to reach the set objectives. However, there are some matters which required by law to get the approval from the shareholders' meeting, such as the increasing or decreasing of capital, disposing of or transferring of the Company's whole or partial major business to other persons, or acquiring or

accepting of transfer of other business, and the amendment of the Company's Memorandum & Articles of Association.

2. To arrange the Annual General Shareholders' meeting within four months after closing the accounting period and determine the agendas and give opinions to be proposed to the Meeting for approval such as the dividend payment, Board of Directors' and Audit Committee's remunerations and the appointment of directors, etc.
3. To consider and approve important investment of the Company as well as investment in subsidiary companies.
4. To consider and approve the Company's CG Policy and other policies including other rules and regulations that have been reviewed by Audit Committee or the management and monitor the implementation.
5. To arrange the Board of Directors meeting at least once every quarter.
6. To present financial statements, both balance sheets and income statements which have already been audited by external auditor to shareholders for approval.
7. To appoint executives as proxy or empower others to carry out Company's activities under the Board of Directors' control or to authorize such person to have the appropriate power at a specific period in which such power may be cancelled, withdrawn, changed or amended. In the event of the proxy granting to other persons to carry out activities relating to the normal business activities of the Company, such power granting should be in compliance to the resolution from the Board of Directors' meeting which consists of Independent Director or Audit Committee present in the meeting. In the event that the power granting was disapproved by the Independent Director or Audit Committee, such disapproved opinion should be clearly recorded in the Board of Directors' minutes of the meeting.
8. To consider and approve important related party transactions and the acquisition or disposal or transfer of significant assets so that the transactions are done and disclosed correctly and transparently in compliance with the Securities and Exchange Act and the Stock Exchange of Thailand's rules or other related laws.
9. To establish proper management structure including the appointment of high level management such as the Chief Officer, Executive Board/Director, Managing Director and General Manager level.
10. To approve the appointment of sub-committees such as Audit Committee and determine its roles and responsibilities including the changing in structure, term of office and renewal or other changes which may significantly affect such committee's operation.
11. To monitor the Company's operating result to continuously achieving the set target according to the business plan and budget.
12. To approve procurement of significant assets or maintenance expenses at the amount exceeding Bht 500,000.-

13. Directors must not involve in the business of the same nature of the Company's business or in competition with the Company's business or being partner in any partnership entity or being an unlimited partner in any limited partnership or being a director in a private company or other companies that operate the business of the same nature with the Company and competing with the Company's business either for personal interest or for others' interest except prior disclosing at the shareholders' meeting before the appointment.
14. Directors have to inform the Company promptly if he is having any conflict of interest directly or indirectly in any of the Company's contract, or the increasing and decreasing of the Company's share or debenture holdings.

However, the authorized duties of the Board of Directors mentioned above does not include the authorization that may allow the Board or its proxy to be able to approve the transactions that have any conflict of interest or other conflicts either for own interest or others with the Company or its subsidiary companies according to the SET's rules in which such transactions should be approved by the Board of Directors' meeting and /or by the shareholders' meeting as stated in the Company's Articles of Association or other related laws.

## **Duties and responsibilities of Chairman**

1. To be responsible on behalf of the leader of the Board of Directors in governing, monitoring the business management of the top executives of each function line to achieve the set objectives or plans.
2. To be responsible as Chairman of the Board of Directors' meeting and the shareholders' meeting of the Company.
3. To be responsible in casting the final vote to make the board's resolution in the event of a tie vote.

## **Board Self-Assessment**

The Board of Directors has the policy to conduct self-assessment of the Board of Directors as a group annually aiming to improve the Board's efficiency. In December of each year, the Secretary will review the questionnaires which had been adjusted from the SET's example and distribute to each of the director to fill in. The topics of assessment were under 6 main areas as follows:

1. Structure and Qualification of the Board
2. Roles, Duties and Responsibilities of the Board
3. Board of Directors Meeting
4. Function of the Board
5. Relationship with the Management
6. Directors and Management Development

After the questionnaires have been returned, the Secretary shall summarize the result and report them to the Board of Directors. From the overall assessment for the year 2014, the score came out that in average the board of directors had been performing well with

more than 80% scores in every assessed topic. Moreover, directors had proposed useful ideas to improve its efficiency such as the director should have developed themselves continuously by participating in the training courses arranged by IOD.

## Directors and Management Development

- **Training** The Board of Directors, Audit Committee, management as well as the Company Secretary and the employees were encouraged and facilitated to join the training courses concerning the corporate governance and management skill. Such training courses may be an in-house training or the seminars arranged by specialized organization such as the Accounting Association or the Revenue Dept. or other regulators such as the SET and SEC as well as IOD.
- **New Director Preparation** The Company provides necessary documents and information to new directors useful to perform director duties which introduce the nature of the business and the operations of the Company consisting of the Company's annual report, Board of Directors / Audit Committee Charter, Affidavit, and Memorandum and Articles of Association as well as Director's Handbook published by the SEC.
- **Succession Plan** The General Manager regularly presents the succession plan to the Board to assign successors in case they cannot perform their duties.
- **Executives Development Program** The Board has established a development program for executives and the General Manager will report to the board annually. The executive development plan will be considered together with the succession plan.

## Shareholding Report of Directors and Spouse for the year 2014

Name	Amount of Shares		Change during the year	Remark
	Jan. 2014	Dec. 2014		
1. Mr. Mitsuji Konoshita	218,966	291,946	+ 72,980	From exercise of GL-W2
2. Mr. Tatsuya Konoshita	-0-	-0-	-0-	
3. Mr. Muneo Tashiro	-0-	-0-	-0-	
4. Mr. Somchai Limpattanasin	274,150	274,150	-0-	
5. Mr. Worasak Kriengkamol	990,650	1,103,099	+39,449	From exercise of GL-W2
6. Mr. Deepong Sahachartsiri	194,601	194,601	-0-	
7. Gen.Suebsan Dardarananda	100,000	150,000	+50,000 (spouse's)	Spouse got inherited
8. Mr. Sonit Pichyangkul	-0-	-0-	-0-	
9. Mr. Krit Phanratanamala	-0-	-0-	-0-	
10. Dr. Pholdej Therdphithakvanij	6,000	6,000	-0-	Total amount held by spouse

## Management

As of 31 December, 2014, the Company had total 8 executives according to the SEC's definition and other executives at Department Manager level of 8 persons Total 16 persons as follows :

No.	Name	Position
1.	Mr. Mitsuji Konoshita	Chief Executive Officer
2.	Mr. Tatsuya Konoshita	Chief Business Development Officer
3.	Mr. Somchai Limpattanasin	Chief Operating Officer
4.	Mr. Deepong Sahachartsiri	Chief Financial Officer
5.	Mr. Worasak Kriengkamol	Executive Director
6.	Mr. Charas Liengvitthayakun	General Manager – Marketing
7.	Mr. Pornsak Aurujchutchairut	General Manager – Operations
8.	Mr. Chumpon Kittichaisombat	General Manager – Collection
9.	Ms. Ajchara Chaina	Manager – Finance
10.	Ms. Supansa Kanhalee	Manager – Accounting
11.	Mr. Kaptan Jeeraseth	Manager – Credit
12.	Mr. Kittichai Maneenond	Manager – Field Collection
13.	Mr. Somkid Charupaiboonphan	Manager – HR & Admin.
14.	Mr. Sorathat Kantiwong	Manager - IT
15.	Mr. Chanchai Lertchareonkah	Manager – Operation & Auction
16.	Mr. Weerawat Skulmeerit	Manager – Internal Audit

*\* No. 1-8 were the executives from SEC's definition, from 9-16 were other executives from Department Manager or above .*

## Duties and Responsibilities of the Chief Executive Officer

1. To operate and manage the Company's normal business.
2. To operate and follow-up the Company's operation within the business plan and the company's policy which was set up by the Board of Directors.
3. To approve the Company's expenses within the yearly budget approved by the Board of Directors.
4. To consider employment, promotion, transfer, resignation and set up wages and salary of employees.
5. To be the proxies in administering the Company's operation compliance with its objectives, regulations, discipline, and command.
6. To be obliged in the Company's normal operation by being able to consider and approve the Company's activities or operations within the authorized limit which has already been approved by the Board of Directors. To be able to authorize or assign other designated persons that the Chief Executive Officer deems appropriate to carry out the necessary duties on his behalf. Such authorization must be lawful and in compliance with the Company's rules and regulations.

However, the authorized duties of the Chief Executive Officer mentioned above does not include the authorization that may allow the CEO or its proxy to be able to approve the transactions that have any conflict of interest or other conflicts either for own interest or others with the Company or its subsidiary companies according to the SET's rules in which such transactions should be approved by the Board of Directors' meeting and /or by the shareholders' meeting as stated in the Company's Articles of Association or other related laws.

## Company Secretary

The Company's Board of Directors has resolved to appoint Miss Siriphen Pongchairerks to take up the position of Company Secretary since 22 November, 2011. The duties and responsibilities of Company Secretary are as follows:

### Duties and Responsibilities of Company Secretary: :

- Arranging Board of Directors' and shareholders' Meetings
- Preparing and keeping the Register book of Directors
- Preparing and keeping notice to Board of Directors' Meeting, minutes of the Board of Directors' Meeting and annual report of the Company
- Preparing and keeping notice and minutes of the shareholders' meeting
- Forwarding / keeping the report on interest of Directors' and Management and their related persons to Chairman of the Board and Chairman of the Audit Committee
- Preparing report on changing of share holdings of Directors and Management for acknowledgement in the Board of Directors' Meeting
- Being a coordinator between the Company and outside regulators such as SEC, SET and TSD, etc.
- Disclosing Company's news through The SET's ELCID system
- Assisting in Investor Relations function as Coordinator

## Details of Directors, Management, Controlling Person and Company Secretary for 2014

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
<b>Mr. Mitsuji Konoshita,</b> Chairman of the Board and CEO (Authorized Signer) / 7 March 2007	48	Bachelor of Law, Osaka University, Japan	0.03	Being the elder brother of Mr.Tatsuya Konoshita	<u>Listed Cos.</u> 2012 – Present 2007 – 2012 2006 – 2011 <u>Non-listed Cos.</u> 2014-Present 2014- Present 2012 –Present 2012 -Present  2011 –Present  2009 Present 2005 –2008	Chairman and CEO Chairman Chairman  Chairman Chairman & CEO President Chairman  Director  Chairman Director	Group Lease Pcl. (Hire purchase Business) Group Lease Pcl. (Hire purchase Business) United Securities Pcl. (Securities broker Business)  GL Leasing (Lao) Co., Ltd.(Hire purchase business) Thanaban Co., Ltd. (Hire purchase business) GL Finance Plc. (Hire purchase business) Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management) Engine Property Management Asia Co.,Ltd.(real estate business) Engine Holdings Asia Pte., Ltd.(investment business) A.P.F. Holdings Co., Ltd. (investment business)
<b>Mr. Tatsuya Konoshita</b> Director and Chief Business Development Officer/ 20 April, 2011	43	Bachelor of Arts (History), Osaka University, Japan	-	Being the younger brother of Mr. Mitsuji Konoshita	<u>Listed Cos.</u> 2013- Present 2012 –Present 2011 – 2012 2011- 2013 2008- Present  2006-2011  <u>Non-listed Cos.</u>  2010- Present	Rep.MD and CEO Director and CBDO Director Rep. Director and CM Rep. Executive officer and CEO Chairman of the Executive Board   Rep.MD	Wedge Holdings Co., Ltd. (Investment Business) Group Lease Pcl. (Hire purchase Business) Group Lease Pcl. (Hire purchase Business) Wedge Holdings Co., Ltd. (Investment Business) Showa Holdings Co., Ltd (Investment business)  United Securities Pcl. (Securities broker Business)  Asuka Foods Co.,Ltd. (Food business)

## Details of Directors, Management, Controlling Person and Company Secretary for 2014

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
<b>Mr. Muneo Tashiro</b> Director / 22 April, 2009	42	Bachelor of Arts(Literature),Osaka University, Japan	-	-	<u>Listed Cos</u> 2013 - Present 2009 – Present 2009 – Present 2008 - 2013 2007 –2008 <u>Non-listed Cos</u> 2014- Present 2014- Present 2014- Present 2013 – Present  2011 – 2013	Director Director Director Chief Executive Officer Senior Executive Director  Director Director Director Director  Director	Wedge Holdings Co., Ltd. (Investment Business) Group Lease Pcl. (Hire purchase Business) Engine Holding Asia Pte.(Investment Business) Wedge Holdings Co., Ltd. (Investment Business) Wedge Holdings Co., Ltd. (Investment Business)  GL Leasing (Lao) Co., Ltd.(Hire purchase business) GL Finance Plc.(Hire purchase business) Thanaban Co., Ltd. (Hire purchase business) Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management) Asuka Foods Co., Ltd.(Food Business)
<b>Mr. Deepong Sahachartsiri</b> Director(Authorized Signer) and Chief Financial Officer / 7 March, 2007	41	Master of Business Administration, ThammasatUniversity -Directors Accreditation Program, No. 62/2007	0.02	-	<u>Listed Cos.</u> 2012 -Present 2007 – 2012 <u>Non-listed Cos.</u> 2014- Present 2014 - Present 2012 – Present 2012 – Present  2005 – 2007	Director & CFO Director  Director Director Director Director  Product Manager	Group Lease Pcl. (Hire purchase Business) Group Lease Pcl. (Hire purchase Business)  GL Leasing (Lao) Co., Ltd.(Hire purchase business) Thanaban Co., Ltd. (Hire purchase business) GL Finance Plc. (Hire purchase business) Group Lease Holdings Pte.Ltd. (Fin. Advisory & other investment management) Mahaphant Fibre Cement Public Co., Ltd.(Construction Supplies Manufacturer)

## Details of Directors, Management, Controlling Person and Company Secretary for 2014

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
<b>Mr. Somchai Limpattanasin</b> Director (Authorized Signer) and Chief Operating Officer / 15 June, 2011	55	Master of Business Administration, Kasetsart University -Directors Accreditation Program, No. 94/2012	0.03	-	<u>Listed Cos.</u> 2014 - Present 2011 – 2012	Director and COO Director and Executive	Group Lease Pcl. (Hire purchase Business) Group Lease Pcl. (Hire purchase Business)
					<u>Non-listed Cos.</u> 2014-Present 2014-Present 2014-Present 2012 – Present	Director Director Director Director	GL Leasing (Lao) Co., Ltd. (Hire purchase business) Thanaban Co., Ltd. (Hire purchase business) GL Finance Plc. (Hire purchase business) Group Lease Holdings Pte.Ltd.(Fin. Advisory & other investment management)
					2007 – 2011	Director & Senior Vice President	Summit Capital Leasing Co., Ltd. (Hire purchase Business)
					1994 – 2008	Vice President	Bara Sumi–Thai Leasing Co., Ltd. (Hire purchase Business)
<b>Mr. Worasak Kriengkamol</b> Director (Authorized Signer) and Executive Director / 15 June, 2011	44	Master of Business Administration, Western Illinois University, USA	0.09	-	<u>Listed Cos.</u> 2011 – Present	Director & Executive Director	Group Lease Pcl. (Hire purchase Business)
					<u>Non-listed Cos.</u> 2014 - Present 2014 - Present 2012 – Present 2012 - Present	Director Director Chairman Director	GL Leasing (Lao) Co., Ltd. (Hire purchase business) Thanaban Co., Ltd. (Hire purchase business) GL Finance Plc. (Hire purchase business) Group lease Holdings Pte.Ltd. (Fin. Advisory & other investment management)
					2011 - Present	Director	Engine Holdings Asia Pte. Ltd.
					2008 – 2010 2001 - 2008	Managing Director Managing Director	A.P.F. International Insurance Co.,Ltd.(Insurance) Liberty Insurance Co., Ltd. (Insurance)

## Details of Directors, Management, Controlling Person and Company Secretary for 2014

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
<b>General Suebsan Dardarananda</b> Independent Director & President of Audit Committee / 11 May 2011	63	BA. Political Science, Norwich University, USA -National Defence College -Director Certification Program No. 98/2008 - Finance for Non- financial Director No. 39/2008	0.01	-	<u>Listed Cos.</u> 2011-Present	Independent Director & President of Audit Committee	Group Lease Pcl. (Hire purchase Business)
					<u>Non-listed Cos.</u> 2014-present 2014-Present 2014- Present	Internal Audit Committee Deputy Chief Independent Director & Chairman of Audit Committee	GL Leasing (Lao) Co., Ltd.(Hire purchase Business) Office of the Minister of Defence Thanaban Co., Ltd. (Hire purchase Business)
					2009-2012	Specialist to the Office of the Permanent Secretary Ministry of Defence / Deputy Chief	Office of the Minister of Defence, Ministry of Defence
<b>Mr. Sonit Pitchyangkul</b> Independent Director & Audit Committee / 11 May, 2011	64	MA. (Economics), North Texas State University- Director Certification Program No. 33/2005	-	-	<u>Listed Cos.</u> 2011 – Present	Independent Director & Audit Committee	Group Lease Pcl. (Hire purchase Business)
					2007 – 2008	Vice President (Retail Credit)	Thanachart Bank, Pcl. (commercial bank business)
					1999 – 2004	Senior Executive Vice President (Hire Purchase) and Branch Admin.	Kiatnakin Finance & Securities Pcl. (Financial & securities Business)
					<u>Non-listed Cos</u> 2014 –Present 2014 –Present	Internal Audit Committee Independent Director & Audit Committee	GL Leasing (Lao) Co., Ltd.(Hire purchase business) Thanaban Co., Ltd. (Hire purchase Business)
					2009 – 2013 2006-Present 2004 – 2006	Executive Director Executive Senior Executive Vice President (Retail Credit)	Ekthana Engineering Co.,Ltd.(Engineering business) ThaifilatexPcl. (produce latex thread business) AIG Finance Plc.(Financial Business)

## Details of Directors, Management, Controlling Person and Company Secretary for 2014

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
<b>Dr.Pholdej Therdphithakvanij, Ph.D.</b> Independent Director & Audit Committee / 20 April, 2011	46	Doctor of Philosophy (Civil Engineering) Lehigh University, U.S.A.- Director Accreditation Program No. 89/2011	-	-	<u>Listed Cos.</u> 2011 – Present	Independent Director & Audit Committee	Group Lease Pcl. (Hire purchase Business)
					<u>Non-listed Cos</u> 2014 - Present	Internal Audit Committee	GL Leasing (Lao) Co., Ltd.(Hire purchase business)
					2014 - Present	Independent Director & Audit Committee	Thanaban Co., Ltd. (Hire purchase Business)
					2012 – Present	Director of Civil-structural Engineering	W. & Associates Consultants Co.,Ltd. (Engineering Consultant)
					2007 – 2012	Deputy Managing Director	R.K.V. Engineering Consultant Co., Ltd. (Engineering Consultant)
2006 – 2007	Deputy Managing Director	IMMS Co., Ltd.(Engineering Consultant)					
<b>Mr. Krit Phanratnamala</b> Independent Director & Audit Committee/ 20 April, 2011	46	Master of Business Administration (Finance),University of Florida, USA -Advanced Audit Committee Program No. 27/2009 -Director Certification Program No. 86/2007 -MFM 1/2009, MFR 9/2009, MIA 6/2009, MIR 7/2009	-	-	<u>Listed Cos.</u> 2011-Present	Independent Director & Audit Committee	Group Lease Pcl. (Hire purchase Business)
					2011-Present	Director	Diamond Building Products Public Company Limited
					2008-Present	Independent Director & Audit Committee	Quality House Pcl.(Real estate Business)
					2006-Present	Independent Director & Audit Committee	The Union Mosaic Industry Public Company Limited
					<u>Non-listed Cos</u> 2014 - Present	Internal Audit Committee	GL Leasing (Lao) Co., Ltd. (Hire purchase business)
					2014 – Present	Independent Director & Audit Committee	Thanaban Co., Ltd. (Hire purchase Business)
					2006-Present	Director	Royal Porcelain Public Company Limited
2005-Present	Investment Director	Thai Prosperity Advisory Co., Ltd.					
2011-2014	Director	Biodegradable Packaging for Environment, Pcl.					
2006-2013	Director	Sahathai Steel Pipe Public Company Limited					

## Details of Directors, Management, Controlling Person and Company Secretary for 2014

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
<b>Mr. Pornsak Aurujchutchairut</b> General Manager-Operation / 12 September, 2012	51	Master of Science (Computer), National Institute of Development Administration (NIDA)	-	-	2012 – Present 2006-2012	General Manager-Operation Executive of CIMB Thai Bank Group: FVP of Operation and IT Division	Group Lease Pd. (Hire purchase Business) Center Auto Lease (BT Leasing) Co., Ltd.
<b>Mr. Charas Liengvithayakun</b> General Manager, Marketing / 9 April, 2013	50	Bachelor of Economics (Industrial Economics), Ramkhamhaeng University	-	-	Apr.13 -Present 2010 – Apr.2013 1994 – 2010  1991 – 1993 1988 – 1991  1987 – 1988	General Manager Marketing Business Owner General Manager – Marketing Division Auto Hire Purchase Marketing Truck Hire Purchase Marketing  Credit Officer	Group Lease Pd. (Hire purchase Business) K.CharasCharoenyont Co., Ltd.(motorcycle trader) Summit Capital Leasing Co., Ltd.(Leasing Business)  SriDhana finance & Securities Co., Ltd.(financial business) Siam City Credit Finance & Securities Co.,Ltd. (financial business) Pacific Finance & Securities Co., Ltd. (financial business)
<b>Mr. Chumpon Kittichaisombat</b> General Manager, Collection/ 15 January, 2014	50	Master of Business Administration, Burapha University	-	-	Jan.14 –Present 2011 –Jan.14  2006 – 2011 1998 – 2006 1993 – 1998  1989 – 1993	General Manager-Collection Senior Vice President - Retails Customer Business Vice President, Hire Purchase Business Department Manager, Registration & Insurance Department Branch Manager, Chonburi Branch Supervisor Credit Analysis Division	Group Lease Pd. (Hire purchase Business) Amanah Leasing Public Company Limited  KTB Leasing Co.,Ltd.  Toyota Leasing (Thailand) Co.,Ltd.  SITCA Investment & Securities Public Company Limited  The Siam Commercial Bank Public Company Limited

### Details of Company Secretary

Name / Position/ Starting date	Age (Yr.)	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experiences for the past 5 years		
					Period	Position	Company / Type of Business
Miss Siriphen Pongchairerks/ Company Secretary and Secretary to Audit Committee / 22 November, 2011	56	Bachelor of Business Administration (General Management), Assumption University - Company Secretary (CSP 1/2002) - Effective Minutes Taking (EMT 14/2009) - TAN: Workshop, How to Make Accurate Disclosure, Merger & Acquisition or Related Party Transaction - Laws & Practices for Company SecretaryRE : the amended Securities & Exchange Act B.E.2551 -Other courses in relation to the Role of Company Secretary, Corporate Governance and Investor Relations by SET, SEC or Company Secretary Club	0.00	-	2014-present	Company Secretary and Secretary to Audit Committee	Thanaban Company Limited. (Hire purchase Business)
					2011-present	Company Secretary and Secretary to Audit Committee	Group Lease Pcl. (Hire purchase Business)
					1991-2011	Secretary to the Board of Directors (Company Secretary)	United Securities Pcl.(Securities business)

## Details of Positions held in the Company, its Subsidiary and Related Companies of Directors, Executives and controlling person as of the year 2014

Directors / Executives	Company	Subsidiary Companies				Related Companies	
		Group Lease Holdings Pte. Ltd.	GL Finance Plc.	Thanaban Co., Ltd.	GL Leasing (Lao) Co., Ltd.	Engine Holdings Asia PTE. LTD	Wedge Holdings Co., Ltd.
1.Mr. Mitsuji Konoshita	X, C	X	0	X	X	X	
2. Mr. Tatsuya Konoshita	///						C
3. Mr. MuneoTashiro	/	/	/	///	/	/	/
4. Mr. Deepong Sahachartsiri	///	/	/	///	/		
5. Mr. Somchai Limpattanasin	///	/	/	///	/		
6. Mr. Worasak Kriengkamol	///	/	X	///	/	/	
7. Gen. Suebsan Dardarananda	///			///	////		
8. Mr. Sonit Pichyangkul	///			///	////		
9. Dr.Pholdej Therdphithakvanij, Ph.D.	///			///	////		
10.Mr. Krit Phanratanamala	///			///	////		
11..Mr. Charas Liengvithayakun	0						
12..Mr.Pornsak Aurutchutchairut	0						
13..Mr.Chumpol Kittichaisombut	0						

**Remark :**

X means Chairman	C means CEO
/ means Directors	// means Executive Director
/// means Independent Director & Audit Committee	//// means Independent Audit Committee
0 means Executives	

## Details of Directors of Subsidiary Companies

Subsidiary Companies Name of Directors	Group Lease Holdings Pte. Ltd.	GL Finance Plc.	Thanaban Co., Ltd.	GL Leasing (Lao) Co., Ltd.
1. Mr. Mitsuji Konoshita	X	0	X	X
2. Mr. Muneo Tashiro	/	/	///	/
3. Mr. Deepong Sahachartsiri	/	/	///	/
4. Mr. Somchai Limpattanasin	/	/	///	/
5. Mr. Worasak Kriengkamol	/	X	///	/
6. Gen.Suebsan Dardarananda			///	////
7. Mr. Sonit Pichyangkul			///	////
8. Mr.Krit Phanratanamala			///	////
9. Dr. Pholdej Therdphithakvanij			///	////
10. Mr.Christophe Forsinetti		/0	/	
11. Mr. Regis Martin			/	
12. Mr. Riki Ishigami		/	/	
13. Mr. Tep Rithivit		///		
14. Mr. Kaname Hashimoto				00
15. Mr. Fumio Kyuma		///		/
16. Mr. Ith Vichit		///		
17. Mr. Yusuke Kozuma		/		
18. Mr. Kubo Shungo		/		

**Remark:**

- X means Chairman
- / means Director
- /// means Independent Director
- //// means Independent Audit Committee
- 0 means Executives
- 00 means Managing Director

## Remunerations of Directors and Management

### (1) Monetary Remunerations

(a) Board of Directors: The monetary remunerations for Board of Directors consists of meeting fee and annual bonus

-Meeting fee: Chairman of the Board and Chairman of the Audit Committee receives meeting fee of 12,000 Baht per attendance. Directors of the Board and members of Audit Committee receives meeting fee of 10,000 Baht per attendance time. Audit Committee shall receive both meeting fees as member of the Board and member of Audit Committee.

-Annual Bonus: The Board of Directors shall consider significantly from the Company's operating result and such proposal shall be approved by the Annual General Meeting of Shareholders. In 2014, the shareholders' meeting approved a bonus of double of the average months of the employee's bonus. For the year 2014, employee's bonus was paid at the average of 3.5 months, therefore, director's bonus was paid at 7 months of the monthly meeting fee.

Moreover, for the year 2014, since the Company had acquired one new subsidiary company, Thanaban Co., Ltd., all 4 Independent Directors of the Company were also appointed Independent Directors and Audit Committee of the subsidiary approved by the Extraordinary General Meeting of Shareholders of Thanaban on 21 July, 2014 and the Board of Directors and Audit Committee's remunerations were also approved based on the same criteria as the Company, details of remunerations paid are as follows:

Name	Position	Meeting fee		Bonus	Total
		Board of Directors	Audit Committee		
1.Mr. Mitsuji Konoshita	Chairman of the Board & CEO	216,000	-	84,000	300,000
2. Mr. Tatsuya Konoshita	Director & Chief Business Development Officer	100,000	-	70,000	170,000
3. Mr. Muneo Tashiro	Director	180,000	-	70,000	250,000
4. Mr. Somchai Limpattanasin	Director & Chief Operating Officer	180,000	-	70,000	250,000
5. Mr.Deepong Sahachartsiri	Director & Chief Financial Officer	180,000	-	70,000	250,000
6. Mr. Worasak Kriengkamol	Director & Executive Director	160,000	-	70,000	230,000
7. Gen.Suebsan Dardarananda *	Chairman of Audit Committee/ Independent Director	264,000	204,000	156,000	624,000
8. Mr.Sonit Pichyangkul *	Audit Committee / Independent Director	240,000	170,000	130,000	540,000
9. Mr.Krit Phanratanamala *	Audit Committee/ Independent Director	240,000	150,000	130,000	520,000
10. Dr.Pholdej Therdphithakvanij *	Audit Committee/ Independent Director	240,000	170,000	130,000	540,000
<b>Total</b>		<b>2,000,000</b>	<b>694,000</b>	<b>980,000</b>	<b>3,674,000</b>

Remark: \*Being Independent Director and Audit Committee of subsidiary as well and the remunerations above already included remunerations from the subsidiary

(b) Executives: The monetary remunerations for executives in 2014 consists of monthly salary and annual bonus paid to 15 executives at total 38.87 million Baht, details as follows:

No. of Executive and Remunerations	2014	2013	2012
Number of executive (person)	15	12	12
Salary and bonus (million Baht)	35.27	34.60	34.53

## (2) Other Remunerations

### Directors & Officers Insurance:

The Company bought Baht 50 million worth of insurance from ACE INA Overseas Insurance Co., Ltd. to provide erroneous coverage for its directors and/or executives. The insurance premium for the year 2014 was Baht 155,000 per annum (coverage during 1 Jun. 2014 – 1 Jun. 2015).

### Employees Stock Option (ESOP Warrant) No. 4 (GL-WD):

The shareholders' meeting on 27 April, 2012 had approved the allocation of warrant to purchase ordinary shares of the Company under Employee Stock Option Project (ESOP) No. 4 (GL-WD) for 1,000,000 units to provide opportunity for the directors and employees to

participate as owner of the Company. The Board of Directors or its designated person has determined the list of employees who are eligible for the allocation of warrants and the amount of unit for each employee based on performance, salary, position and years of service as appropriate. Such warrant has the exercise ratio of 1 warrant to 11.8360 ordinary shares with the exercise price of 1.65766 Baht per share. The Company's director total 10 persons were eligible to receive the total of 12.5% portion of the total issued warrants or 12,500 units per person.

## Human Resources

The total number of employees as of 31 December, 2014, 2013 and 2012 divided by departments are shown below:

Department	unit : person		
	2014	2013	2012
Credit and Marketing	250	160	127
Collection	265	144	82
Accounting and Finance	32	12	12
Human Resources & Admin.	40	20	24
Operations	75	56	36
Information Technology	15	12	8
<b>Total</b>	<b>677</b>	<b>404</b>	<b>289</b>

For the year 2014, there was a significant increase in the number of employee due to the acquisition of Thanaban Co.,Ltd. and the transfer of employees to the Company in Q2 and there had not been any legal dispute in the past years.

The total remunerations of employees of the Company consist of salary, bonus, welfare and other remunerations, namely, commission. The total remunerations of employees in the years 2014, 2013 and 2012 are shown below:

Employees' Remunerations	Unit : million Baht		
	2014	2013	2012
Salary, bonus, welfare and commission	195.54	173.21	127.94

Moreover, the Company's subsidiary company, GL Finance Plc. had a total of 433 employees in the year 2014 and had paid the same type of remunerations to their employees at the total of 54.06 million Baht.

## Human Resources Development

It is the Company's policy to encourage the employees to develop their knowledge, ability, experiences and expertise in work emphasizing on contributing efficient and qualified services. In addition, the Company also emphasizes on doing business with transparency in compliance with the good corporate governance principles. Therefore, it has the policy in encouraging the employees to work with good ethics. Orientation is arranged for new employees so that they can get the knowledge, understanding of work system as well as the organization culture. Various trainings are regularly arranged, both in-house and outside trainings, especially in the field of hire-purchase business, computer, HR, Accounting and Taxes appropriately depending on the related duties of the employees.

## Corporate Governance

The Board of Directors realizes the importance of good corporate governance which will add more value to the Company and also contribute long term benefits to its stakeholders such as shareholders, employees, suppliers, customers as well as the society as a whole. Therefore, the Board has resolved the following Corporate Governance Policy to serve as its operation guideline for the Board of Directors, management and all the employees as follows :

### Corporate Governance Policy

1. Emphasize on the responsibility to the society as a whole by encouraging the Directors, management and all the employees to carry out their duties and activities in compliance to the rules, laws, regulations as well as following the code of ethics in doing business.
2. Emphasize on transparency in doing business by disclosing information in compliance to the related laws, rules and regulations.
3. Initiate internal control system with the collaboration from the Board of Directors, Audit Committee and management so that the business operation is done in compliance to the good corporate governance principles. The guideline and efficiency of the auditing and internal control systems shall be regularly evaluated and reviewed.
4. Carefully control the business activities which may lead to conflict of interest among different departments so that it becomes transparent and fair without any bias.
5. Respect the rights of stakeholders. Treat all concerns with honesty and justice by supporting various activities to build good relationships among the stakeholders and sustain the stability growth of the Company's business.
6. Respect the legal right of the shareholders by giving them equitable treatment in shareholder's meeting and also provide them with equitable and sufficient information.
7. Maintain the operation guidelines to be in compliance with the management policy including the business philosophy according to the Company's objective in order to protect the utmost interest of the shareholders.

The compliance of CG policy as of 2014 appears on the Company's website under Investor Relations section / Corporate Governance

## Sub-committees

Currently, the Board of Directors has set up only 1 sub-committee, i.e. Audit Committee and has not set up Nomination and Compensation Committee due to its small and uncomplicated nature of the organization and also small member of the Board of Directors with very minimal turnover of the directors so that the Nomination Committee might not be necessary. As for the determination of remunerations, the management's remunerations are determined by the Board of Directors and the remunerations for the Board of Directors are determined by the shareholders' meeting.

## Audit Committee

### Structure of Audit Committee

As of 31 December, 2013, the Company's Audit Committee comprised of 4 Independent Directors. Mr. Sonit Pichyangkul is the Audit Committee who possesses the knowledge and experiences in auditing of Company's financial statement. Moreover, he also has direct experiences in hire-purchase business which is the Company's main business.

The Audit Committee's term of office was determined to be a term of 2 years and can be renewed at a 2-year term each. The present Audit Committee was first appointed on 11 May, 2011 and the term had been most recently renewed on 11 May, 2013.

List of the Audit Committee and their meeting attendance during 2014 are as follows:

Name	Position	Audit Committee Meeting	
		No. of Meetings	No. of Attendance
1.Gen. SuebsanDardarananda	President of Audit Committee / Independent Director	12	12
2. Mr.SonitPichyangkul	Audit Committee / Independent Director	12	12
3. Dr. PholdejTherdphithakvanit	Audit Committee / Independent Director	12	12
4. Mr. Krit Phanratanamala	Audit Committee / Independent Director	12	11*

*Remark: \* absent due to engaged with urgent business*

## Duties and Responsibilities of Audit Committee

The Audit committee takes responsibility subject to Board of Directors' assignment and reports directly to the Board of Directors as follows:

1. Review the Company's financial reporting process to ensure accuracy and sufficiency.

2. Review to ensure that the Company has appropriate and efficient internal control system and internal audit system and review the independency of the Internal Audit Department. The Audit Committee shall approve the appointment, transfer or termination of the head of Internal Audit Dept. or other related department responsible for the internal auditing of the Company.

3. Review the performance of the Company to ensure compliance with the Securities and Exchange Acts, rules and regulations of the Stock Exchange or other laws relating to the Company's business.

4. Consider, select and recommend independent external auditor and determine their remunerations and participate in the meeting with the external auditor without the Company's management at least once a year.

5. Ensure that the connected transaction or transaction that may lead to conflict of interest has been done in compliance to the laws and regulations of the SET & SEC.

6. Prepare report of the Audit Committee and disclose it in the annual report of the Company. Such report should be signed by the Chairman of the Audit Committee and should contain the minimum information as follows:

- Comment on accurateness, completeness and credibility of the Company's financial report.
- Comment on the sufficiency of the Company's internal control system.
- Comment on the Company's compliance with Securities and Exchange Acts and SET's regulations and other laws relevant to the Company's business.
- Comment on suitability of the external auditor.
- Comment on transactions that may have conflicts of interest.
- Number of meetings of the Audit Committee, and attendance of each member.
- Overall comments or remarks that the Audit Committee has while carrying out their duties prescribed in the Charter.
- Any other transactions that the shareholders and general investors should know within the scope of duties and responsibilities of the Audit Committee assigned by the Board of Directors.

7. Perform other duties as assigned by the Board of Directors with the consent of the Audit Committee.

In order to support the successful performance of the Audit Committee, the Audit Committee is able to invite the Company's executives or employees to make comments or provide facts or participate in the meeting or present any related documents required as well as to have the authority to hire consultant or other third parties according to the Company's rule to seek for their opinion or advices as necessary.

## Nomination and Appointment of Directors and Highest Level Management

### (1) Independent Director

In nominating of Independent Director the Board of Directors will consider from those who possess suitable qualifications or at least must possess the minimum qualifications specified by the SEC's regulations Ref: GorLorTor.Gor.(Wor) 32/2551. In addition to those minimum qualifications, other qualifications such as being a reputable or acceptable in society person or possess knowledge and experiences of an Audit Committee are also considered, such as the experience in financial statement auditing or other work experience directly in hire-purchase business which is the same business as the Company. Most importantly, independency is the most significant qualification required. Those nominated persons shall be proposed for appointment from the Board of Directors' meeting or shareholders' meeting as the case may be.

### (2) Nomination of Directors and Highest Level Management

The Company has not set up any Nomination Committee. In nominating persons to be appointed as Directors or highest level management of the Company, the Board of Directors shall consider from the caliber, experiences, vision and reliability of such person together with the past knowledge and skills which might be beneficial to the Company's business operation, including good understanding of the Company's business so that they are able to achieve the Company's goal and objectives determined by the Board of Directors. Those nominated persons shall be proposed for appointment from the Board of Directors' meeting or shareholders' meeting as the case may be.

The Company's Articles of Association states that in each of annual general meeting, one-third of directors or nearest amount (1/3) has to be resigned by rotation. The retired directors shall be determined by the ones who were in the position the longest. The retired Directors can be re-elected. The list of directors who retired by rotation each year as well as the list of the Board of Directors after the re-election shall be disclosed in the Notice to the AGM Meeting and recorded in the said meeting each year.

The principle and voting method of the election of Directors in the shareholders' meeting shall be as follows:

1. The voting for election of director shall use majority vote given that each shareholder has the voting right of one share for one vote
2. The voting for election of director shall be done individually for each person. The shareholder can cast their total votes they have for each individual nominated person to be the director one by one.
3. The person who receives the subsequent highest vote shall be the one elected the directors until the number of elected director is equal to the number of required director of such election. In case of a tie vote for the persons with next highest voting amount so that it exceeds the required number of director for such election, Chairman of the meeting shall cast an additional vote to make the resolution.

However, in case the vacancy of director is from the reasons other than the expiration of the term of office, the remaining Board of Directors shall elect a new director to substitute for the vacant position unless such director has the remaining term of office less than 2 months. Such resolution shall require the vote of not less than three-fourth of the remaining directors. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces.

### **Governance on the Company's Subsidiary and Affiliated Company**

Since the Company's subsidiaries have the Company holding 100% stakes, the Board of Directors of the Company has assigned some members of its Board of Directors to become the Board of Directors of the subsidiary companies. Board of Directors of the subsidiary companies has the obligations in operating the subsidiaries' business to its best interest. Such assignment of designated persons as directors in the subsidiary companies has done in accordance with the shareholding proportion of the Company.

In addition, the designated persons also have the obligation to ensure that the subsidiary companies are having appropriate rules regarding related transactions, acquisition or disposal of assets or other significant transactions including the compliance of the related rules and regulations concerning the disclosure of such information and also ensure that such transactions are done by complying to the same rules and regulations as the Company which are the rules derived from the SET. This includes the keeping of records and accounting of the subsidiary companies' information that is auditable and also able to submit for consolidation to the Company on time.

In July, 2014, the Company had acquired a new subsidiary company, Thanaban Co., Ltd. and had enhanced stronger governance on the Company and its subsidiary by appointing the Company's Audit Committee to be Audit Committee of the subsidiary as well despite the fact that subsidiary company which is not a listed company does not required to have any Audit Committee.

### **Governance on Inside Information Usage**

The Company complies with the corporate governance principle in governing the usage of inside information by setting up a written code of ethics of the director, management and employees that has been approved and announced to the employees. The governance on inside information usage are summarized as follows:

- Inside information must not be used for personal interest in buying or selling of the Company's shares or be disclosed to other persons for buying and selling of the Company's shares
- The directors or other employees who can access to Company's financial information are not allowed to buy or sell the Company's shares at least 7 days prior to the disclosure of the Company's financial statements or financial status as well as other important information
- Those who can access the Company's important information have to report their shareholding of the Company's shares and their changes in the shareholding

according to the set rules of the Company and or the SEC to avoid abuse of inside information

In addition, whenever there is a new director or executive who is in the position which needs to report their shareholding of the Company's shares according to the SEC's rule, the Company Secretary shall inform those persons of the duty to disclose their shareholding and changes of the shareholdings of the Company's shares to the SEC in compliance to the Section 59 of the Securities & Exchange Act B.E 2535. In the event of a newly accepted position, such report is required within 30 days and in the event of the changing of the shareholding, report should be done within 3 days from the executed date. The Company Secretary should be notified of such changing of shareholding in order to keep record and report in the next Board of Directors' meeting.

## **Remunerations of External Auditor**

In the year 2014, the Company paid an audit fee to the external auditor at 1,780,000 Baht without any non-audit fee.

## Corporate Social Responsibilities

Since the nature of the Company's business does not have direct impact on the environment, the corporate social responsibilities of the Company emphasize on the responsibilities in treating the employees, customers, competitors, etc. with justice and honesty and will not support any incidents that might lead to corruption. The Board of Directors adopts the guidelines below:

### 1. Operate Business with Fairness

- The Company shall compete with the competitors with fairness, without unreasonable attack, slanderous or distortion of information for own advantage.
- The Company shall support only fair service in providing financial service that is highly beneficial to the consumers and will not coordinate with the competitors to do any damage to the consumers for the Company or its allies' benefits.
- The Company shall not search for competitor's trade secret information dishonestly or in breach of business ethics
- The Company shall encourage and not involve in any pirate of intellectual property and shall encourage employees to use only the products with copyrights.

### 2. Anti-corruption

The Company values the importance of the implementation of anti-corruptions and bribery both directly or indirectly which beneficial to personal, family, friends and acquaintances whether in the side of a receiver or the person who offers bribes both in monetary or non-monetary forms to the government sectors or private companies that the Company are dealing business or having contact with but shall be obliged to comply with the set anti-corruption guidelines strictly as follows:

- There should not be any direct or indirect benefits whether to oneself, family and friends received from the Company. For example, the selling of goods and services to the Company or competing with the Company. Avoid accepting any feast from the persons who have business connection with the Company or other persons who might expect some benefits from the employees.
- Never ask or receive any unjustified benefits both directly or indirectly or other benefits in exchange for the commercial benefits including bribes or dishonest incidents in doing business

- The employees who cheat or violate the code of ethics shall be put on disciplinary actions and penalized according to the Company's rules and might as well have to be penalized by law if such violations are unlawful.
- Employees should not neglect whenever they found some clues or corruption events happened in the Company and should notify their supervisor or other responsible personnel and coordinate in the investigation process. If there are any questions, they should seek advice from their supervisor.

### 3. Respects for Human Rights

The Company values the importance of not involving in the violation of human rights and the freedom of an individual or any collective groups whether directly or indirectly. For example, the Company shall not treat employees unequally even under different races, religious, beliefs, gender, languages, marital status, age, political affiliation, state of origin, sexual deviation, physical condition, etc. The Company shall not exercise forces or encourage any forces in threatening employees to work whether physically, verbally or mentally.

### 4. Treating Employees with fairness

In determining the employees' welfares and benefits, the Company shall put the following factors into considerations:

- The employees' duties and responsibilities
- The overall economic situation which may affect the well-beings of the employees
- The salary payment rate and employment situation of labor market especially in the same industry
- The business growth potential and the paying capacity of the Company. In 2013, the Company's Board of Directors had approved the increase of employees' provident fund contribution rate from 3% to 5% across the board effective on 1 Jan 2014

### 5. Responsibilities for Consumers

In doing business, the Company is responsible for the consumers on the basis of honesty and good business ethics since the Company is a financial service provider in order to create reliability to the consumers as well as to maintain the sustainable growth of the Company. As a result, the guidelines for responsible credit granting were set up as follows:

- The Company shall suggest the appropriate installment condition for each individual customer base on their repayment capacity and shall not grant credit to those customers who may possibly have problems in paying back the loan in the future in order to help them to avoid creating liabilities obligation which is not suitable for them.
- The Company shall present its services clearly and transparently in terms of conditions and different fees charged to be fair and beneficial to the customers.
- The Company may offer some assistance to the customers who may have financial problems during unexpected or uncontrollable crisis such as natural disaster, political unrest by providing debt-restructuring scheme as deemed appropriate.

## Internal Controls

using the Company's Board of Directors' Meeting No. 2/2015, held on February 11<sup>th</sup>, 2015 which consisted of the Board of Directors together with the Audit committee, a report on internal control systems of the Company was presented and clarified by the management. From the assessment of the internal control systems of the Company based on the SEC's assessment form announced in August, 2013 which also based on the COSO 2013 Principle which consists of 5 measures, the organization and environment, risk management, management control activities, Information & communications and monitoring which were extended into 17 points of focus, the Board of Directors believed that the Company's internal control systems were sufficient. Sufficient personnel were set up to handle the system effectively. Moreover, the Company's subsidiaries activities were controlled and monitored sufficiently so that it can protect the Company's assets from being abused by the directors or management and also prevent the conflict of interest with the related persons. The internal control in other matters were also viewed to have sufficient control so that the Independent Directors or Audit Committee including the external auditor have had no other comments or having the opinion that the Company's internal control systems are having any deficiency. The Company's internal control systems are as follows:

### Company's internal controls are as follows

#### 1. Organization and control environment

The Company's organization structure and authorities and responsibilities of each department were clearly stated in writing. Future objectives and targets were also determined so that the management and staff in different levels can achieve the same goals together. The achieving of such goals should be based on honesty, loyalty and ethics. The Company also had a written rule forbidden the management and staffs to do anything which may lead to conflict of interest and penalty of such violation was also determined.

#### 2. Risk Management

Management gives significant importance to risk management because the nature of the Company's business is related directly to risks. Special cares were taken for financial management and credit approval process by evaluating potential risk and setting preventive measures and risk management. There are preventive measures and evaluations of risk from information technology data base which is considered the core of operational performance. In addition, management also continuously evaluates other external factors which might incur risk to the Company's operation.

### 3. Management Control Activities

The Company's management structure together with the scope of authority and responsibilities were written clearly for each department. To ensure accuracy and compliance with law and the Company's regulation, internal control systems for each operational process were established to verify and control the operation of each department.

### 4. Information and Communication

The Company always gives importance to information technology system and communication system so that the compiling and analyzing of data were done with speed, accuracy, and in time. Standard of operations were set up for the staff to be able to receive information clearly and correctly which also support the decision making of the management and the Board of Directors on both problem solving and planning especially the accounting and financial information.

### 5. Monitoring

The Company has always monitored its business operating result in order to be able to achieve the set goals. Management meeting is set up at least once a month to monitor the operating result. In case of an urgent problem arising from other significant factors which might seriously affect the normal operation of the Company, an ad hoc meeting can also be held. In addition, the Company also set up Internal Audit Unit which reports directly to the Audit Committee to carry out the internal auditing on the operation of each department of the Company. Its objectives are :

- 1) To increase the efficiency of the Company's operations and report the result to Audit Committee and management.
- 2) To ensure that the Company's assets are utilized efficiently.
- 3) To report to the Audit Committee and management about the possible problems so that preventive solution could be done in time.
- 4) To ensure the existence of appropriate internal control systems and ensure that the set systems were carried out properly.

## Head of Internal Audit

Mr. Weerawat Skulmeeritwere appointed the Manager – Internal Audit Dept. of the Company since 1 July, 2013. The Audit Committee had considered that he has the education and experiences in internal audit functions in the organization with the same nature of business as the Company so that he is probably able to understand the Company's activities and operation very well. In addition, his past training in various internal control and audit courses also equip him to carry out his duties in such position well. Therefore, the Audit Committee views that Mr. Weerawat is suitable for the position.

The appointment or withdrawn or transfer of the Head of Internal Audit of the Company needs to be approved by the Audit Committee. (please see detail of Internal Audit Manager below)

## **Risk Management**

The Company has set up policy and process for risk management so that the management can used as guideline for operation. Management is responsible in determining and designing of work systems including the identifying of risk factors. Such business operation or systems planning which taking into account the risk factors enable the management to design the systems well within the acceptable risk level of the Company.

### Details of Internal Audit Manager as of 2014

Name / Position /Starting date	Age	Education / Training	Share holding (%)	Relationship between Directors/ Management	Working Experience		
					Period	Position	Organization/Type of Business
Mr. Weerawat Skulmeerit Internal Audit Manager / 1 July, 2013	38	Bachelor of Accounting, Dhurakitpundit University -CPIAT22 @The Institute of Internal Auditors of Thailand.(IIA) -IACP Generation 5 @ Federationof Accounting Professions. (FAP) -COSO -ERM EVALUATION (FAP) - PRINCIPLES OF FRAUD AUDITING (FAP) -AUDIT REPORT WRITING (FAP) -Internal Audit Procedures (IIAT) - Understand Each TFRS (FAP) - Standard All TFRS For NPAEs (FAP) - Microsoft Dynamics Ax -Introduction to IT Governance (FAP) -Computer Audit Technologies (FAP) - IT Risk (FAP)	-none-	-none-	2013 – Present	Internal Audit Manager	Group Lease Pcl. (Hire purchase Business)
					2011 – 2013	Operation Control Supervisor	Suzuki Leasing International (Thailand),(leasing business)
					2006 – 2010	Internal Audit and Secretary of Audit Committee	Siam General Factoring Plc.(financial business)
					2004 – 2006	Audit Assistant	Pitisevi & Company (Auditing service)

## Related Party Transactions

The financial statement of Group Lease Public Company Limited as of December 31, 2014 and 2013 presents related transaction as follows :

The relationship between the Company and the related parties are summarized below.

Name of related parties	Relationship with the Company
Group Lease Holdings Pte. Ltd.	Subsidiary
Thanaban Company Limited	Subsidiary
GL Finance Plc.	Subsidiary (held by a subsidiary)
Asia Partnership Fund Pte. Ltd.	Company's director is major shareholders of that company / Common director
A.P.F. Group Co., Ltd.	Company's director is major shareholders of that company / Common director
Devenco Management and Consulting Co., Ltd.	Common director with GLF
Tennis Federation of Cambodia	GLF's director is general secretary of the Federation

Related transaction between the company and subsidiary companies as at 31 December 2014 and 2013						
Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 14	31 Dec 13		
GL Finance Plc.	The Company	Hire-Purchase Interest Income	126	28	Contract	The company provide hire-purchase service for agricultural machinery to GL Finance Plc. for donation to the educational institution with the market interest rate as in the general business.
		Interest income	226	112	7% per annum	The company lend to GL Finance Plc. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	3,383	3,067		
		Increase	227	215		
		Decrease	(228)	(121)		
Gain from exchange rate	15	222				
Ending Balance	3,397	3,383				
		Hire purchase and installment sales receivables	1,159	-		The company provide hire-purchase service for agricultural machinery to GL Finance Plc. for donation to the educational institution
		Accrued expenses	1,057	-		GL Finance Plc. paid for the company to support business expansion.
Group Lease HoldingsPte. Ltd.	The Company	Dividend income	-	10,000	As per declaration	
		Interest Income	29,266	10,638	7% per annum	The company lend to Group Lease Holdings Pte. Ltd. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	200,499	36,783		
		Increase	564,016	499,999		
		Decrease	-	(336,283)		
Ending Balance	764,515	200,499				

Related transaction between the company and subsidiary companies as at 31 December 2014 and 2013						
Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 14	31 Dec 13		
Thanaban Company Limited	The Company	Other income	37,703	-	Contract rate	The company provide management and other services for Thanaban company limited.
		Interest Income	36,619	-	11% per annum	The company lend to Thanaban company limited to replace existing loans with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	-	-		
		Increase	903,778	-		
Decrease	(481,524)	-				
Ending Balance	422,254	-				
		Other current assets	7,569	-		The company provide management and other services for Thanaban company limited. And these transactions are needed and for the highest benefit of the company's business.

**Audit Committee's opinion :**

The Audit Committee has reviewed and validated above transactions, and gave the opinion that the purpose of these transactions are to support the company's business expansion in the regional country with an interest rate close to the normal rate when the company borrow from the bank. And these transactions are needed and for the company's business. For the hire-purchase service for the machinery to support educational institution with the market interest rate as in the general business. This transaction has benefit as a kind of promotion for the subsidiary in the regional country. And management services involved in doing the general business for the highest benefit of the company's business.

**Other Related transactions between related parties as at 31 December 2014 and 2013**

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 14	31 Dec 13		
<b>GL Finance Plc.</b>	The company	Interest Income	-	103	6-9% per annum	The company lend to GL Finance Plc. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
<b>GL Finance Plc.</b>	Group Lease Holdings Pte Ltd	Interest Income	-	1,459	6-9% per annum	Group Lease Holdings Pte. Ltd. lend to GL Finance Plc. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
<b>Devenco Management and Consulting Co., Ltd.</b>	Group Lease Holdings Pte Ltd	Interest Income	2,215	1,985	6-9% per annum	Group Lease Holdings Pte. Ltd. lend to Devenco Management and Consulting Co., Ltd. to support business expansion in regional country with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning balance	51,341	-		
		Increase	2,216	52,312		
		Decrease	(22,661)	-		
		Gain (Loss) from exchange rate	23	(3,294)		
		Exchange diff on translation of finstat in foreign currency	164	2,323		
Ending Balance	31,083	51,341				
<b>Tennis Federation of Cambodia</b>	Group Lease Holdings Pte Ltd	Interest Income	315	81	6-9% per annum	Group Lease Holdings Pte. Ltd. lend to Tennis Federation of Cambodia to promote the business in regional country and With interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u>				
		Beginning Balance	3,821	-		
		Increase	1,370	3,708		
		Decrease	(162)	(30)		
		Exchange diff on translation of finstat in foreign currency	20	143		
		Ending Balance	5,049	3,821		

**Other Related transactions between related parties as at 31 December 2014 and 2013**

Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 14	31 Dec 13		
<b>Director of subsidiary</b>	Group Lease Holdings Pte Ltd	Interest Income	14	-	6-9% per annum	Group Lease Holdings Pte. Ltd. lend to director of subsidiary to prepare business operation after receiving a license to operate a motorcycle leasing business in Laos with an interest rate close to the normal rate when the company borrow from the bank.
		<u>Short-term loans to and interest receivable</u> Beginning Balance	-	-		
		Increase	2,264	-		
		Exchange diff on translation of finstat in foreign currency	29	-		
		Ending Balance	2,293	-		
<b>Group Lease Holdings Pte Ltd</b>	A.P.F. Group Co., Ltd.	Interest expense	19	-	6% per annum	A.P.F. Group Co., Ltd. lend to Group Lease Holdings Pte Ltd to promote the business in regional country and With interest rate close to the normal rate when the company borrow from the bank
		<u>Short-term loans from and interest payable to related party</u> Beginning Balance	-	-		
		Increase	19,797	-		
		Ending Balance	19,797	-		
		Deposit	70,217	65,627		As at 31 December 2014, a deposit of GLH that has been pledged as collateral with A.P.F. Group Co., Ltd. who assisted with procurement of debentures from a financial institution. GLH cancelled the debentures arrangement later A.P.F. Group Co., Ltd. returned the deposit to GLH in February 2015. As at 31 December 2013, a deposit of GLH that has been pledged as collateral

Other Related transactions between related parties as at 31 December 2014 and 2013						
Buyer/ Customer	Seller/ Service Provider	Transactions	Amount (Thousand Baht)		Pricing Policy	Reasonability/ Necessity
			31 Dec 14	31 Dec 13		
						with A.P.F. Group Co., Ltd. who assisted with procurement of loans from a financial institution. GLH cancelled the loan arrangement later .So A.P.F. Group Co., Ltd.returned the deposit to GLH .

**Audit Committee's opinion :**

The Audit Committee has reviewed and validated above transactions, and gave the opinion that the purpose of these transactions are to support the company's business expansion in the regional country with an interest rate close to the normal rate when the company borrow from the bank. And these transactions are needed and for the highest benefit of the company's business.

## Financial Highlight

### Conclusion of Auditors' Report

For the past three years the Company's financial statements had been audited and have the opinion from the auditors as follows :

Financial Statement	Company	Auditors' Name	CPA No.	Opinion
2014	EY Office Limited	Ms.Rungnapa Lertsuwankul	3516	Unqualified
2013	Ernst&Young Office Limited	Ms.Pimjai Manitkajornkit	4521	Unqualified
2012	Ernst&Young Office Limited	Ms.Pimjai Manitkajornkit	4521	Unqualified

งบแสดงฐานะการเงินของบริษัท กรุ๊ปลีส์ จำกัด (มหาชน) และบริษัทย่อย

The financial position of Group Lease Public Company Limited and its subsidiaries

หน่วย : ล้านบาท /Unit: Million Baht

	งบการเงินรวม Consolidated financial statements						งบการเงินเฉพาะกิจการ Separate financial statements					
	ปี 2557 2014		ปี 2556 2013		ปี 2555 2012		ปี 2557 2014		ปี 2556 2013		ปี 2555 2012	
	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %
<b>สินทรัพย์</b>												
<b>Assets</b>												
สินทรัพย์หมุนเวียน Current assets												
เงินสดและรายการเทียบเท่า เงินสด Cash and cash equivalents	357.45	4.92	320.55	5.83	14.36	0.41	71.16	0.99	86.16	1.58	10.89	0.31
ลูกหนี้ตามสัญญาเช่าซื้อ และขายผ่อนชำระที่ถึง กำหนดชำระภายใน หนึ่งปี Current portion of hire purchase and installment sales receivables	3,163.95	43.52	2,208.37	40.18	1,493.37	43.11	2,330.50	32.38	2,145.49	39.22	1,493.37	43.16
สินทรัพย์รอการขาย Assets foreclosed	23.60	0.32	21.15	0.38	18.63	0.54	14.07	0.20	21.15	0.39	18.62	0.54
เงินให้กู้ยืมระยะสั้นและ ดอกเบี้ยค้างรับ Short-term loan and interest receivable	24.78	0.34	23.37	0.43	-	-	-	-	-	-	-	-
เงินให้กู้ยืมระยะสั้นและ ดอกเบี้ยค้างรับจาก กิจการที่เกี่ยวข้องกัน Short-term loan to and interest receivable from related parties	38.42	0.53	55.16	1.00	20.54	0.59	1,190.17	16.54	203.88	3.73	39.85	1.15
สินทรัพย์หมุนเวียนอื่น Other current assets	151.26	2.08	133.13	2.42	125.92	3.64	115.22	1.59	123.57	2.25	125.92	3.64
<b>รวมสินทรัพย์หมุนเวียน</b>	<b>3,759.46</b>	<b>51.71</b>	<b>2,761.73</b>	<b>50.24</b>	<b>1,672.82</b>	<b>48.29</b>	<b>3,721.12</b>	<b>51.70</b>	<b>2,580.25</b>	<b>47.17</b>	<b>1,688.66</b>	<b>48.80</b>
<b>Non-current assets</b>												
สินทรัพย์ไม่หมุนเวียน เงินฝากประจำที่มีภาระค่า ประกัน Pledged fixed deposit at financial institution	0.32	0.01	0.31	0.01	0.31	0.01	0.32	0.01	0.31	0.01	0.31	0.01
เงินจ่ายล่วงหน้าค่าหุ้น Share subscription payment in advance	-	-	-	-	34.14	0.99	-	-	330.82	6.05	-	-
การลงทุนในบริษัทย่อย Investment in subsidiary company	-	-	-	-	-	-	1,071.21	14.88	110.70	2.02	18.69	0.54
ลูกหนี้ตามสัญญาเช่าซื้อและ ขายผ่อนชำระที่ถึงกำหนด ชำระเกินกว่าหนึ่งปี Hire purchase and installment sales receivables - long-term portion	2,922.44	40.20	2,323.23	42.27	1,637.94	47.29	2,202.28	30.60	2,275.92	41.60	1,637.94	47.34
ที่ดิน อาคารและอุปกรณ์ Property, plant and equipment	100.64	1.38	70.88	1.29	55.83	1.61	62.42	0.87	61.02	1.12	55.82	1.61
สินทรัพย์ไม่มีตัวตน Intangible assets	127.69	1.76	105.07	1.91	-	-	6.45	0.09	-	-	-	-
ค่าความนิยม Goodwill	91.42	1.26	43.68	0.79	-	-	-	-	-	-	-	-
สินทรัพย์ภาษีเงินได้รอตัด บัญชี Deferred tax assets	106.30	1.46	60.98	1.11	20.97	0.61	70.81	0.98	60.98	1.11	20.97	0.61

	งบการเงินรวม Consolidated financial statements						งบการเงินเฉพาะกิจการ Separate financial statements					
	ปี 2557 2014		ปี 2556 2013		ปี 2555 2012		ปี 2557 2014		ปี 2556 2013		ปี 2555 2012	
	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %
สินทรัพย์ไม่หมุนเวียนอื่น Other non-current assets	162.35	2.22	130.63	2.38	41.80	1.20	63.00	0.87	50.47	0.92	37.70	1.09
<b>รวมสินทรัพย์ไม่หมุนเวียน Total non-current assets</b>	<b>3,511.16</b>	<b>48.29</b>	<b>2,734.78</b>	<b>49.76</b>	<b>1,790.99</b>	<b>51.71</b>	<b>3,476.49</b>	<b>48.30</b>	<b>2,890.22</b>	<b>52.83</b>	<b>1,771.43</b>	<b>51.20</b>
<b>รวมสินทรัพย์ Total assets</b>	<b>7,270.62</b>	<b>100.00</b>	<b>5,496.51</b>	<b>100.00</b>	<b>3,463.81</b>	<b>100.00</b>	<b>7,197.61</b>	<b>100.00</b>	<b>5,470.47</b>	<b>100.00</b>	<b>3,460.09</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>												
<b>หนี้สินและส่วนของผู้ถือหุ้น Current liabilities</b>												
<b>หนี้สินหมุนเวียน Current liabilities</b>												
เงินเบิกเกินบัญชีและเงินกู้ยืมระยะสั้นจากสถาบันการเงิน Bank overdraft and short-term loans from financial institutions	250.00	3.44	13.55	0.25	50.00	1.44	250.00	3.47	13.55	0.25	50.00	1.45
เจ้าหนี้การค้า Trade accounts payable	9.07	0.12	4.32	0.08	14.42	0.42	6.35	0.09	3.22	0.06	14.42	0.42
เงินกู้ยืมระยะสั้นและดอกเบี้ยค้างจ่ายแก่กิจการที่เกี่ยวข้องกัน Short-term loans from and interest payable to related party	19.80	0.27	-	-	-	-	-	-	-	-	-	-
เงินกู้ยืมระยะยาวที่ถึงกำหนดชำระภายในหนึ่งปี Current portion of long-term loans	2,547.81	35.04	1,808.59	32.90	887.95	25.63	2,547.81	35.40	1,808.59	33.06	887.95	25.66
ภาษีเงินได้ค้างจ่าย Income tax payable	-	-	49.44	0.90	30.53	0.88	-	-	45.48	0.83	30.22	0.87
เจ้าหนี้ค่าเบี้ยประกัน Insurance premium payables	11.73	0.16	10.10	0.18	12.68	0.38	9.68	0.13	9.21	0.17	12.68	0.37
ค่าใช้จ่ายค้างจ่าย Accrued expenses	56.53	0.78	28.91	0.53	23.99	0.69	26.30	0.36	22.56	0.41	23.64	0.67
หนี้สินหมุนเวียนอื่น Other current liabilities	54.36	0.75	24.47	0.44	17.34	0.50	29.60	0.41	21.78	0.40	17.17	0.50
<b>รวมหนี้สินหมุนเวียน Total current liabilities</b>	<b>2,949.30</b>	<b>40.56</b>	<b>1,939.38</b>	<b>35.28</b>	<b>1,036.91</b>	<b>29.94</b>	<b>2,869.74</b>	<b>39.86</b>	<b>1,924.39</b>	<b>35.18</b>	<b>1,036.08</b>	<b>29.94</b>
<b>หนี้สินไม่หมุนเวียน Non-current liabilities</b>												
เงินกู้ยืมระยะยาว - สุทธิจากส่วนที่ถึงกำหนดชำระภายในหนึ่งปี Long-term loans, net of current portion	1,312.05	18.05	1,288.93	23.45	834.01	24.08	1,312.05	18.23	1,288.93	23.56	834.01	24.10
หุ้นกู้ Debentures	488.30	6.72	-	-	-	-	488.30	6.79	-	-	-	-
ประมาณการหนี้สินระยะยาวสำหรับผลประโยชน์พนักงาน Provision for long-term liabilities Provision for long-term employee benefits	6.38	0.09	4.16	0.08	2.77	0.08	6.38	0.09	4.16	0.08	2.77	0.08
เงินประกันความเสียหายตามสัญญาเช่าซื้อ Cash guarantee for damage on hire purchase agreements	2.33	0.03	2.30	0.04	2.31	0.06	2.20	0.03	2.30	0.04	2.31	0.07
หนี้สินภาษีเงินได้รอตัดบัญชี Deferred tax liabilities	-	-	0.66	0.01	-	-	-	-	-	-	-	-
<b>รวมหนี้สินไม่หมุนเวียน Total non-current liabilities</b>	<b>1,809.06</b>	<b>24.89</b>	<b>1,296.05</b>	<b>23.58</b>	<b>839.09</b>	<b>24.22</b>	<b>1,808.93</b>	<b>25.14</b>	<b>1,295.39</b>	<b>23.68</b>	<b>839.09</b>	<b>24.25</b>
<b>รวมหนี้สิน Total liabilities</b>	<b>4,758.36</b>	<b>65.45</b>	<b>3,235.43</b>	<b>58.86</b>	<b>1,876.00</b>	<b>54.16</b>	<b>4,678.67</b>	<b>65.00</b>	<b>3,219.78</b>	<b>58.86</b>	<b>1,875.17</b>	<b>54.19</b>

	งบการเงินรวม Consolidated financial statements						งบการเงินเฉพาะกิจการ Separate financial statements					
	ปี 2557 2014		ปี 2556 2013		ปี 2555 2012		ปี 2557 2014		ปี 2556 2013		ปี 2555 2012	
	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %	จำนวนเงิน Amount	ร้อยละ %
<b>ส่วนของผู้ถือหุ้น</b> <b>Shareholders' equity</b>												
ทุนที่ออกและชำระแล้ว มูลค่าหุ้นละ 0.50 บาท Issued and paid-up capital of Baht 0.50 each	542.88	7.47	512.35	9.32	344.86	9.96	542.88	7.55	512.35	9.37	344.86	9.97
ส่วนเกินมูลค่าหุ้นสามัญ Share premium	1,084.25	14.91	933.68	16.99	414.92	11.98	1,084.25	15.06	933.68	17.07	414.92	11.99
เงินรับล่วงหน้าค่าหุ้น Share subscription received in advance	-	-	1.00	0.02	19.64	0.57	-	-	1.00	0.02	19.64	0.57
ใบสำคัญแสดงสิทธิซื้อหุ้น สามัญ Warrants	-	-	0.54	0.01	2.22	0.06	-	-	0.54	0.01	2.22	0.06
ส่วนทุนจากการจ่ายโดยใช้หุ้น เป็นเกณฑ์ Capital reserve for share-based payment transactions	3.58	0.05	2.22	0.04	0.86	0.02	3.59	0.05	2.22	0.04	0.86	0.02
กำไรสะสม Retained earnings												
จัดสรรแล้ว สারণตาม กฎหมาย Appropriated - statutory reserve	72.09	0.99	72.09	1.31	57.04	1.65	72.09	1.00	72.09	1.32	57.04	1.65
ยังไม่ได้จัดสรร Unappropriated	773.21	10.63	715.40	13.02	749.51	21.64	816.13	11.34	728.81	13.31	745.37	21.55
ผลต่างจากการแปลงค่าม การเงินที่เป็นเงินตรา ต่างประเทศ Exchange differences on translation of financial statements in foreign currency	36.25	0.50	23.80	0.43	(1.24)	(0.04)	-	-	-	-	-	-
<b>รวมส่วนของผู้ถือหุ้น</b> <b>Total shareholders'</b> <b>equity</b>	<b>2,512.6</b>	<b>34.55</b>	<b>2,261.08</b>	<b>41.14</b>	<b>1,587.81</b>	<b>45.84</b>	<b>2,518.94</b>	<b>35.00</b>	<b>2,250.69</b>	<b>41.14</b>	<b>1,584.92</b>	<b>45.81</b>
<b>รวมหนี้สินและส่วนของ</b> <b>ผู้ถือหุ้น</b> <b>Total liabilities and</b> <b>shareholders' equity</b>	<b>7,270.62</b>	<b>100.00</b>	<b>5,496.51</b>	<b>100.00</b>	<b>3,463.81</b>	<b>100.00</b>	<b>7,197.61</b>	<b>100.00</b>	<b>5,470.47</b>	<b>100.00</b>	<b>3,460.09</b>	<b>100.00</b>

## งบกำไรขาดทุนเบ็ดเสร็จของบริษัท กรู๊ปลีส์ จำกัด (มหาชน) และบริษัทย่อย

### Statement of comprehensive income of Group Lease Public Company Limited and its subsidiaries

หน่วย : ล้านบาท/Unit: Million Baht

	งบการเงินรวม Consolidated financial statements						งบการเงินเฉพาะกิจการ Separate financial statements					
	ปี 2557 2014		ปี 2556 2013		ปี 2555 2012		ปี 2557 2014		ปี 2556 2013		ปี 2555 2012	
	จำนวนเงิน	ร้อยละ %	จำนวนเงิน	ร้อยละ %	จำนวนเงิน	ร้อยละ %	จำนวนเงิน	ร้อยละ %	จำนวนเงิน	ร้อยละ %	จำนวนเงิน	ร้อยละ %
<b>รายได้</b> <b>Revenues</b>												
รายได้ดอกลมเช่าซื้อ Hire purchase interest income	1,666.74	89.03	1,258.28	85.51	837.22	87.42	1,389.65	86.51	1,251.39	86.80	837.22	87.92
รายได้อื่น Other income	205.33	10.97	213.26	14.49	120.44	12.58	216.72	13.49	190.26	13.20	115.08	12.08
<b>รวมรายได้</b> <b>Total revenues</b>	<b>1,872.07</b>	<b>100.00</b>	<b>1,471.54</b>	<b>100.00</b>	<b>957.66</b>	<b>100.00</b>	<b>1,606.37</b>	<b>100.00</b>	<b>1,441.65</b>	<b>100.00</b>	<b>952.30</b>	<b>100.00</b>
<b>ค่าใช้จ่าย</b> <b>Expenses</b>												
ค่าใช้จ่ายในการให้บริการและบริหาร Services and administrative expenses	561.14	29.97	362.84	24.66	249.37	26.04	356.11	22.17	318.48	22.09	248.46	26.09
หนี้สูญและหนี้สงสัยจะสูญ Bad debts and doubtful accounts	494.86	26.43	343.64	23.35	45.25	4.73	441.37	27.47	342.42	23.75	45.25	4.75
ขาดทุนจากการจำหน่ายสินทรัพย์หรือการขาย foreclosed assets	431.82	23.07	314.39	21.36	140.25	14.64	377.81	23.52	314.39	21.81	140.25	14.73
<b>รวมค่าใช้จ่าย</b> <b>Total expenses</b>	<b>1,487.82</b>	<b>79.47</b>	<b>1,020.87</b>	<b>69.37</b>	<b>434.88</b>	<b>45.41</b>	<b>1,175.29</b>	<b>73.16</b>	<b>975.29</b>	<b>67.65</b>	<b>433.96</b>	<b>45.57</b>
กำไรก่อนค่าใช้จ่ายทางการเงินและค่าใช้จ่ายภาษีเงินได้ Profit before finance cost and Income tax expenses	384.25	20.53	450.67	30.63	522.79	54.59	431.08	26.84	466.36	32.35	518.34	54.43
ค่าใช้จ่ายทางการเงิน Finance cost	(250.42)	(13.38)	(145.71)	(9.90)	(63.00)	(6.58)	(250.39)	(15.59)	(145.71)	(10.11)	(63.00)	(6.62)
ค่าใช้จ่ายภาษีเงินได้ Income tax expenses	(19.13)	(1.02)	(64.65)	(4.40)	(102.40)	(10.69)	(36.46)	(2.27)	(62.80)	(4.36)	(102.09)	(10.72)
<b>กำไรสุทธิสำหรับปี</b> <b>Profit for the year</b>	<b>114.70</b>	<b>6.13</b>	<b>240.31</b>	<b>16.33</b>	<b>357.38</b>	<b>37.32</b>	<b>144.23</b>	<b>8.98</b>	<b>257.85</b>	<b>17.88</b>	<b>353.24</b>	<b>37.09</b>
<b>กำไรต่อหุ้นขั้นพื้นฐาน (บาท)</b> <b>Basis earnings per share (Baht)</b>	<b>0.11</b>		<b>0.25</b>		<b>0.44</b>		<b>0.14</b>		<b>0.27</b>		<b>0.43</b>	

## อัตราส่วนทางการเงินที่สำคัญ

### Financial Ratio

	งบการเงินรวม Consolidated financial statements			งบการเงินเฉพาะกิจการ Separate financial statements		
	ปี 2557 2014	ปี 2556 2013	ปี 2555 2012	ปี 2557 2014	ปี 2556 2013	ปี 2555 2012
<b>อัตราส่วนแสดงความสามารถในการหากำไร</b> <i>Profitability Ratio</i>						
อัตราดอกเบี้ยรับ (%)						
Yield Rate	31.39	32.84	n/a	31.04	33.14	33.18
อัตราดอกเบี้ยจ่าย (%)						
Interest Rate	6.48	5.97	n/a	6.50	5.97	4.74
ส่วนต่างอัตราดอกเบี้ย (%)						
Net Yield Rate	24.91	26.87	n/a	24.54	27.17	28.44
อัตรากำไรสุทธิ (%)						
Net Profit Rate	6.13	16.33	37.32	8.98	17.89	37.09
อัตราผลตอบแทนผู้ถือหุ้น (%)						
Return on Equity	4.81	12.49	n/a	6.05	13.45	24.08
<b>อัตราส่วนแสดงประสิทธิภาพในการดำเนินงาน</b> <i>Efficiency Ratio</i>						
อัตราผลตอบแทนจากสินทรัพย์ (%)						
Return on Total Assets	1.80	5.36	n/a	2.88	5.77	12.22
อัตราการใช้สินทรัพย์ (เท่า)						
Total Assets Turn Over Ratio (Times)	0.29	0.33	n/a	0.25	0.32	0.33
<b>อัตราส่วนวิเคราะห์นโยบายการเงิน</b> <i>Financial Policy Ratio</i>						
อัตราส่วนหนี้สินต่อส่วนผู้ถือหุ้น (เท่า)						
Ratio of Liability to Equity (times)	1.89	1.43	1.18	1.86	1.43	1.18
อัตราส่วนเงินให้กู้ต่อเงินกู้ (เท่า)						
Ratio of Total Receivable to Loan from (times)	1.37	1.57	n/a	1.16	1.55	1.90
อัตราดอกเบี้ยเงินปันผล (%)						
Dividend Rate	n/a	69.23	69.79	n/a	64.52	69.79
<b>อัตราส่วนคุณภาพสินทรัพย์</b> <i>Asset Quality Ratio</i>						
อัตราส่วนค่าเผื่อหนี้สงสัยจะสูญต่อสินเชื่อรวม (%)						
Ratio of Allowance for Doubtful Debt to Total Receivable	8.43	7.94	5.28	8.71	8.09	5.28
อัตราส่วนหนี้สูญต่อสินเชื่อรวม (%)						
Bad Debt to Total Receivable	6.87	2.59	4.90	8.02	2.65	4.90
อัตราส่วนเงินให้สินเชื่อที่หยุดรับรูรายได้ต่อสินเชื่อรวม (%)						
Ratio of Non performing loan to Total Receivable	8.70	8.65	3.25	9.13	8.85	3.25

## Management Discussion & Analysis

The company entered into the acquisition of shares of subsidiaries in the different year so the operating result in 2012-2014 may have different from an impact of this factors apart from the normal operation as follow:

-In the year 2012, the company acquired Group Lease Holdings Pte., Ltd. and has started to consolidate financial statement at the end of 2012.

-In the third quarter of the year 2013, the company has started to consolidate on statement of comprehensive income with GL Finance Plc. (the subsidiary in Cambodia)

-In the third quarter of the year 2014, the company acquired Thanaban Company Limited. and has started to consolidate financial statement at Q3/2014.

## Overall Operating Result

The Company operates motorcycle hire-purchase financing business in Bangkok & Metropolitan and the vicinity provincial areas in which the main income also comes from such business and overall operating result of this business relate to the motorcycle's manufacturing and sales industry. In the year 2014, the number of new registered motorcycle in Bangkok & Metropolitan were 414,389 units which was 11.13% decrease from the year 2013 for 466,264 units because of the effect of slow –growth economic both inside and outside the country especially in Europe. While the United States economic just rebound so the Thai export is still not grown. Besides, Thailand economy slowdown from political factors which have serious effect from quarter 3/2013 to quarter2/2014 so spending of government and household was low level. For the year 2015, economic is expected to slightly good trend in second quarter so motorcycle's manufacturing and sales industry is expected to good trend in third and fourth quarter.

In the year 2013, the amount of new motorcycles registration in Bangkok & Metropolitan were 466,264 units which was 0.44% increase from the year 2012 for 464,230 units. In 2013 Motorcycle sales was quite stable compare to 2012 due to the economic and political situation.

Although the overall motorcycle sales market was quite slow down in the year 2014, the company still can maintain business growth. As at 31 December 2014, the Company had hire-purchase account receivable – net Baht 4,532.78 million or increase 2.52%. For the year 2014, total income was Baht 1,606.37 million, increase 11.43% from Baht 1,441.65 million of the year 2013.

As at 31 December 2013, the Company had hire-purchase account receivable - net 4,421.41 million or decrease 41.20% from 3,131.31 million at the end of 2012 . For the year 2013, the total income was Baht 1,441.65 million, increase 51.39% from Baht 952.30 million of the year 2012.

## Revenue

### Separate financial statements

Revenue	Separate financial statements					
	2014		2013		2012	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Hire purchase interest income	1,389.65	86.51	1,251.39	86.80	837.22	87.92
Other Incomes	216.72	13.49	190.26	13.20	115.08	12.08
<b>Total</b>	<b>1,606.37</b>	<b>100.00</b>	<b>1,441.65</b>	<b>100.00</b>	<b>952.30</b>	<b>100.00</b>

From the Company's revenue structure, around 87% comes from hire purchase interest incomes. In the year 2014, the hire purchase interest incomes were Baht 1,389.65 million (or 86.51 % of total revenues) increased 11.05% from the year 2013 which recorded Baht 1,251.39 million relate to the growth of the hire-purchase portfolio. The portion of hire purchase interest income decreased from 86.80 % in the year 2013 to 86.51 % in the year 2014.

In the year 2013, hire purchase interest incomes were Baht 1,251.39 million (or 86.80 of total revenues) increased from the year 2012 which recorded Baht 837.22 million or an increase of 49.47% from the growth of the hire purchase portfolio.

The other incomes mainly came from the penalty income, bad debts recovery, registration fee and dividend income. In the year 2014, other incomes were Baht 216.72 million, increased from the year 2013 which recorded Baht 190.26 million or an increase of 13.91 %. Other incomes has been increased significantly since year 2012, mainly from an improvement of collection efficiency and strategy to follow up the debt which was write off.

In the year 2013, the Company's other incomes were Baht 190.26 million which increased from the year 2012 which recorded Baht 115.08 million or an increase of 65.33 %.

### Consolidated financial statements

Revenue	Consolidated financial statements					
	2014		2013		2012	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Hire purchase interest income	1,666.74	89.03	1,258.28	85.51	837.22	87.42
Other Incomes	205.33	10.97	213.26	14.49	120.44	12.58
<b>Total</b>	<b>1,872.07</b>	<b>100.00</b>	<b>1,471.54</b>	<b>100.00</b>	<b>957.66</b>	<b>100.00</b>

The Company's revenue structure of consolidated financial statements as same as the separate financial statements. In the year 2014, hire purchase interest incomes were Baht 1,666.74 million (or 89.03% of total revenues) which increased 32.46% from the year 2013 which recorded Baht 1,258.28 million relate to the growth of the hire-purchase portfolio especially in Cambodia and Thanaban which the company acquires Thanaban in 2014. The portion of hire purchase interest incomes increased from 85.51% in the year 2013 to 89.03% in the year 2014. However, income of the year 2014 was consolidation by the separate financial statement, Group Lease Holdings Pte., Ltd. , GL Finance Plc. and Thanaban while the year 2013 was consolidation between separate financial statement and Group Lease Holdings Pte., Ltd. and GL Finance Plc.

In the year 2013, hire purchase interest incomes were Baht 1,258.28 million (or 85.51% of total revenues) which increased 50.29% from the year 2012 which recorded Baht 837.22 million relate to the growth of the hire-purchase portfolio. The portion of hire purchase interest incomes decreased from 87.42% in the year 2012 to 85.51% in the year 2013. However, income of the year 2013 was consolidation by the separate financial statement, Group Lease Holdings Pte., Ltd. and GL Finance Plc. while the year 2012 was consolidation between separate financial statement and Group Lease Holdings Pte., Ltd.

## Expenses

### Separate financial statements

Expenses before finance cost and income tax expenses	Separate financial statement					
	2014		2013		2012	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Services and administrative expenses	356.11	22.17	318.48	22.09	248.46	26.09
Bad debts and doubtful accounts	441.37	27.47	342.42	23.75	45.25	4.75
Loss on disposals of foreclosed assets	377.81	23.52	314.39	21.81	140.25	14.73
<b>Total</b>	<b>1,175.29</b>	<b>73.16</b>	<b>975.29</b>	<b>67.65</b>	<b>433.96</b>	<b>45.57</b>

Expenses before finance cost and corporate income tax comprises of 3 parts : service and administrative expenses, bad debts and doubtful accounts and loss on disposals of foreclosed assets.

For the year 2014, the Company's expenses before finance cost and corporate income tax were recorded at Baht 1,175.29 million which increased Baht 200.00 million from the year 2013 which had Baht 975.29 million or an increase of 20.51 %. The expenses before finance cost and corporate income tax for the year 2014 increased in the same line of total revenue increasing, compare to the year 2013, was resulted from the following main reason:

- Services and administrative expenses increased by 11.82 % compared to the year 2013 for supporting of the growth portfolio. Total revenue increased by 11.43% so services and administrative expenses for the year 2014 increased in the same line of total revenue increasing, compare to the year 2013

-Bad debts and doubtful accounts which comprised of bad debts and allowance for doubtful accounts was set aside higher compared to the year 2013 or increased by 28.90 % relate to increasing of the overdue account receivable according to business cycle from expansion of hire-purchase portfolio continuously in passed year and the economic and political factors which now the situation is normal, but it also affect to the financial statement in 2014.

-Loss on disposals of foreclosed assets which calculated from the value of foreclosed assets deducted by the value of assets sold on auction increased by 20.18% compared to the year 2013 from increasing of repossession units relate to the hire-purchase portfolio expansion and the market price of foreclosed asset dropped by the economic and political situation, increasing rate of Loss on disposals of foreclosed assets is higher than increasing rate of total revenue . When compared ratio between the loss on disposals of foreclosed assets and the hire purchase receivables for the year 2014, the ratio was 7.61% increased from the year 2013 which was 6.54%. And for the ratio of foreclosed asset unit sold per repossession unit of each financial year continue increased from 2012-2014 , detailed as follows:

### The Ratio of the selling of foreclosed assets to foreclosed assets for sale

Unit : Unit	2014	2013	2012
Balance at the beginning of period	989	835	626
Unit increasing in the period	18,639	16,152	10,894
Foreclosed Asset for Sales	19,628	16,987	11,520
Units Sold	19,022	15,998	10,685
Balance at the end of period	606	989	835
the ratio of foreclosed asset to foreclosed asset for sell	97%	94%	93%

For the year 2013, the Company's expenses before finance cost and corporate income tax were recorded at Baht 975.29 million which increased from the year 2012 which had Baht 433.96 million increase Baht 541.33 million or 124.74%. Increasing of expenses before finance cost and corporate income tax for the year 2013 was increased in the same line of total revenue increasing resulted from the following main reason:

-Services and administrative expenses increased by 28.18% compared to the year 2012 in order to support rapid and continuous business expansion while the total revenues of the year 2013 increased by 51.39% from the year 2012. The ratio of services and administrative expenses to total revenues decreased from 26.09 % in the year 2012 to 22.09% in the year 2013.

-Bad debts and doubtful accounts which comprised of bad debts and allowance for doubtful accounts was set aside higher compared to the year 2012 or increased by 656.69 % relate to increasing of the overdue account receivable according to business cycle from expansion of hire-purchase portfolio continuously in passed one year. Anyway compare with 2012, Bad debts and doubtful accounts was very low because of the flood on Q4/ 2011, changing of Criteria for Allowance for Doubtful Account Provision at the end of 2012. For

the year 2013, Thailand economy slowdown from economic and political factors which have serious effect since quarter 3.

-Loss on disposals of foreclosed assets increased by 124.16% compared to the year 2012 from increasing of repossession units relate to the hire-purchase portfolio expansion and the market price of foreclosed asset dropped by the economic and political situation, increasing rate of Loss on disposals of foreclosed assets is higher than increasing rate of total revenue from expansion of the portfolio. When compared ratio between the loss on disposals of foreclosed assets and the hire purchase receivables for the year 2013, the ratio was 6.54% increased from the year 2012 which was 4.24%. And for the ratio of foreclosed asset unit sold per repossession unit of each financial year we can see quite constant ratio at the rate of 93-95%.

## Consolidated financial statements

Expenses before finance cost and income tax expenses	Consolidated financial statements					
	2014		2013		2012	
	Million Baht	% of total revenue	Million Baht	% of total revenue	Million Baht	% of total revenue
Services and administrative expenses	561.14	29.97	362.84	24.66	249.37	26.04
Bad debts and doubtful accounts	494.86	26.43	343.64	23.35	45.25	4.73
Loss on disposals of foreclosed assets	431.82	23.07	314.39	21.36	140.25	14.64
<b>Total</b>	<b>1,487.82</b>	<b>79.47</b>	<b>1,020.87</b>	<b>69.37</b>	<b>434.88</b>	<b>45.41</b>

For the year 2014, the Company's expenses before finance cost and corporate income tax were recorded at Baht 1,487.82 million which increased from the year 2013 amount Baht 1,020.87 million or an increase of 45.74 %. The expenses before finance cost and corporate income tax for the year 2014 increased in the same line as increasing of the total revenue compare to the year 2013. Besides, the consolidated financial statements had increased expense by separate financial statements. The consolidated financial statements had services and administrative expenses which increased to support regional business expansion, expense from Thanaban which the company acquired in Q3/2014 and the amortization on exclusivity right.

For the year 2013, the Company's expenses before finance cost and corporate income tax mainly increased as a result from the separate financial statements. The Company's expenses before finance cost and corporate income tax were recorded at Baht 1,020.87 million which increased from the year 2012 amount Baht 434.88 million or an increase of 134.75%. The expenses before finance cost and corporate income tax for the year 2013 increased in the same line as increasing of the total revenue compare to the year 2012. The consolidated financial statements had services and administrative expenses which increased to support regional business expansion. This is included the amortization on exclusivity right.

## Finance cost

For the year 2014 (separate financial statements and consolidated financial statements), the finance cost of the Company and its subsidiaries had Baht 250.42 million and Baht 250.39 million, respectively. The amount increased from Baht 145.71 million in the year 2013 or a increase of 71.86 % because long-term loan from financial institution increased to Baht 3,860 million from Baht 3,098 million in the year 2013 and issued debentures Baht 500 million due to expansion of business and also the cost of borrowing from the financial institution has an average cost 6.50 %, increased from the year 2013 which has average cost 5.97 %.

For the year 2013 (separate financial statements and consolidated financial statements), the Company had interest expenses Baht 145.71 million which increased from Baht 63.00 million in the year 2012 or a increase of 131.27 % because long-term loan from financial institution increased to Baht 3,098 million from Baht 1,722 million in the year 2012 due to expansion of the hire purchase portfolio and also the cost of borrowing from the financial institution has an average cost 5.97%, increased from the year 2012 which has average cost 4.74%.

## Net Profit

### Separate financial statements

In 2014, the Company had profit before financial cost and income tax Baht 431.08 million decreased from the year 2013 by 7.56 % mainly due to increasing of the Services and administrative expenses, bad debt and doubtful accounts and Loss on disposals of foreclosed assets. Total expenses increase 20.51 % while total revenues increase 11.43 % so increasing rate of expense higher than revenue. And after deduct finance cost, the company has profit before tax Baht 180.69 million, decrease 43.65 % from Baht 320.65 million of the year 2013.

After corporate income tax, the company has net profit of the year 2014 Baht 144.23 million decrease 44.06 % from Baht 257.85 million of the year 2013

In 2013, the Company had profit before financial cost and income tax Baht 466.36 million decreased from the year 2012 by 10.03% mainly due to increasing of the Services and administrative expenses, bad debt and doubtful accounts and Loss on disposals of foreclosed assets. Total expenses increase 124.74% while total revenues increase 51.39% so increasing rate of expense higher than revenue. And after deduct finance cost, the company has profit before tax Baht 320.65 million, decrease 29.58% from Baht 455.34 million of the year 2012.

After corporate income tax, the company has net profit of the year 2013 Baht 257.85 million decrease 27.00% from Baht 353.24 million of the year 2012.

## Consolidated financial statements

In 2014, the Company had profit before financial cost and income tax Baht 384.25 million decreasing from the year 2013 by 14.73 % mainly due to increasing of the Services and administrative expenses, bad debt and doubtful accounts and Loss on disposals of foreclosed assets. Total expenses increase 45.74 % while total revenues increase 27.22 % so increasing rate of expense higher than revenue. And after deduct finance cost, the company has profit before tax Baht 133.83 million, decrease 56.12%. from Baht 304.96 million of the year 2013.

After corporate income tax, the company has net profit of the year 2014 Baht 114.70 million decrease 52.27 % from Baht 240.31 million of the year 2013 .

In 2013, the Company had profit before financial cost and income tax Baht 450.67 million decreasing from the year 2012 by 13.80% mainly due to increasing of the Services and administrative expenses, bad debt and doubtful accounts and Loss on disposals of foreclosed assets. Total expenses increase 134.75% while total revenues increase 53.66 % so increasing rate of expense higher than revenue. And after deduct finance cost, the company has profit before tax Baht 304.96 million, decrease 33.67%. from Baht 459.79 million of the year 2012.

After corporate income tax, the company has net profit of the year 2013 Baht 240.31 million decrease 32.76% from Baht 357.38 million of the year 2012.

## Profitability Ratio

unit :%

Effective Interest Rate	Consolidated financial statements			Separate financial		
	2014	2013	2012	2014	2013	2012
Yield Rate	31.39	32.84	n/a	31.04	33.14	33.18
Interest Rate	6.48	5.97	n/a	6.50	5.97	4.74
Net Yield Rate	24.91	26.87	n/a	24.54	27.17	28.44
Net Profit rate	6.13	16.33	37.32	8.98	17.89	37.09

## Earnings per share

### Separate financial statements

As at the end of 2014, the Company operated a net profit after tax of Baht 144.23 million divided to 1,086 million ordinary shares and fully paid up at 0.50 Baht par value each or earning per share of 0.14 Baht per share ( the average ordinary share of 1,053 million shares) which was 48.15 % decreasing compared to the year 2013.

As at the end of 2013, the Company operated a net profit after tax of Baht 257.85 million divided to 1,024.71 million ordinary shares and fully paid up at 0.50 Baht par value each or earning per share of 0.27 Baht per share (the average ordinary share of 953.58 million shares) which was 37.21 % decreasing compared to the year 2012. (after adjusting the number of ordinary shares to the change in the par value from Baht 5.00 to Baht 0.50 per share)

### **Consolidated financial statements**

As at the end of 2014, the Company operated a net profit after tax of Baht 114.70 million divided to 1,086 million ordinary shares and fully paid up at 0.50 Baht par value each or earning per share of 0.11 Baht per share ( the average ordinary share of 1,053 million shares) which was 56.0 decreasing compared to the year 2013.

As at the end of 2013, the Company operated a net profit after tax of Baht 240.31 million divided to 1,024.71million ordinary shares and fully paid up at 0.50 Baht par value each or earning per share of 0.25 Baht per share (the average ordinary share of 953.58 million shares) which was 43.18% decreasing compared to the year 2012 same as the separate financial statement. (after adjusting the number of ordinary shares to the change in the par value from Baht 5.00 to Baht 0.50 per share).

## **Financial Position**

### **Total assets**

#### **Separate financial statements**

As at the end of 2014, the Company had total assets Baht 7,197.61 million which increased Baht 1,727.14 million or 31.57% from Baht 5,470.47million at the end of 2013.Motorcycle hire purchase receivables which was the main assets, was recorded at Baht 4,532.78 million (or 62.98 % of total assets), increased from Baht 111.37 million at the end of the year 2013 by Baht 4,421.41million or 2.52%.Besides,the company assets increased Baht 629.70 million(or 8.7 % of total assets) by the acquisition of shares of subsidiary.

As at the end of 2013, the Company had total assets Baht 5,470.47 million which increased Baht 2,010.38 million or 58.10% from Baht 3,460.09 million at the end of 2012.Motorcycle hire purchase receivables which was the main assets, was recorded at Baht 4,421.41 million (or 80.82 % of total assets), increased from Baht 3,131.31 million at the end of the year 2012 by Baht 1,290.17 million or 41.20%.

### **Consolidated financial statements**

As at the end of 2014, the Company had a total assets of Baht 7,270.62 million which increased from the total assets of Baht 1,774.11 million at the end of 2013 or increase of Baht 5,496.51 million or 32.28 %. Motorcycle hire purchase and installment sales receivables which was the main assets, was recorded at Baht 6,086.39 million (or 83.71 % of total assets) which increased from Baht 1,554.79 million at the end of the year 2013 by Baht 4,531.60 million or 34.31%. because of the expansion of the hire purchase both inside and outside

country. And the Company had a Intangible assets and goodwill amount Baht 219.11 million, which increased from the total assets of Baht 70.36 million at the end of 2013 or increase of Baht 148.75 million or 47.30 % from acquisition of Thanaban Company Limited shares in the year 2014.

As at the end of 2013, the Company had a total assets of Baht 5,496.51 million which increased from the total assets of Baht 3,463.81 million at the end of 2012 or increase of Baht 2,032.70 million or 58.68 %. Motorcycle hire purchase and installment sales receivables which was the main assets, was recorded at Baht 4,531.60 million (or 82.45 % of total assets) which increased from Baht 3,131.31 million at the end of the year 2012 by Baht 1,400.29 million or 44.72%. Intangible assets and goodwill amount Baht 148.75 million, compare to the year 2012 all increase from acquisition of GL Finance Plc.'s shares by Group Lease Holding Pte. Ltd. (the subsidiary) in the year 2013.

## Debt quality and provision of allowances for doubtful debts

### Separate financial statements

The Company had set provision for the allowance for hire purchase and installment sales receivable which is the main accounts receivable of the Company as at 2014, 2013, and 2012 as follow :

Aging of Hire – Purchase Accounts Receivable	Accounts Receivable and Accrued Income after deducting hire purchase Interest income, VAT and Deposit for loss from customer (million Baht)			%			Allowance for doubtful debt (Million Baht)			% Allowance for doubtful debt		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Not yet due	3,884.74	3,746.06	2,736.06	78.24	77.87	82.76	38.20	36.44	26.04	1.00	1.00	1.00
Past due 1 month	295.46	298.63	189.36	5.95	6.21	5.73	29.14	29.23	18.55	10.00	10.00	10.00
Past due 2-3 months	298.13	295.33	200.12	6.01	6.14	6.05	58.89	57.97	39.40	20.00	20.00	20.00
Past due 4-6 months	176.84	207.39	119.09	3.56	4.31	3.60	69.91	81.61	47.11	40.00	40.00	40.00
Past due 7-9 months	119.89	142.98	37.95	2.41	2.97	1.15	71.18	84.55	22.62	60.00	60.00	60.00
Past due 10-12 months	118.49	97.59	10.58	2.39	2.03	0.32	93.99	77.11	8.44	80.00	80.00	80.00
Past due over 12 months	71.67	22.71	12.69	1.44	0.47	0.39	71.13	22.38	12.39	100.00	100.00	100.00
Total	4,965.22	4,810.69	3,305.85	100.00	100.00	100.00	432.44	389.29	174.54	8.71	8.09	5.28

### Appropriation of allowance for doubtful debt

In Q4/2012, the Company changed its accounting estimates to comply with the actual business circumstance of the company. The Company applied this change in estimate prospectively. The effect of the change was to decrease allowance for doubtful accounts by a total of Baht 35.9 million, decrease deferred tax assets for the year by Baht 7.2 million, and increase profit for the year by Baht 28.7 million.

## Aging of Hire – Purchase Accounts Receivable

### Separate financial statements

For the aging of hire – purchase accounts receivable at the end of the years 2014 and 2013, detailed as follow, no overdue decreased from 77.87% to 78.24%, Past due 1 month increased from 6.21% to 5.95%, Past due 2-3 months decreased from 6.14% to 6.01%, Past due 4-6 months decreased from 4.31% to 3.56%, Past due 7-9 months decreased from 2.97% to 2.41%, Past due 10-12 months increased from 2.03% to 2.39%, Past due over 12 months increased from 0.47% to 1.44%.

For the aging of hire – purchase accounts receivable at the end of the years 2013 and 2012, detailed as follow, no overdue decreased from 82.76% to 77.87%, Past due 1 month increased from 5.73% to 6.21%, Past due 2-3 months increased from 6.05% to 6.14%, Past due 4-6 months increased from 3.60% to 4.31%, Past due 7-9 months increased from 1.15% to 2.97%, Past due 10-12 months increased from 0.32% to 2.03%, Past due over 12 months increased from 0.39% to 0.47%.

### Consolidated financial statements

The Company had set provision for the allowance for hire purchase and installment sales receivable which is the main accounts receivable of the Company as at 2014, 2013, and 2012 as follow :

Aging of Hire – Purchase Accounts Receivable	Accounts Receivable and Accrued Income after deducting hire purchase Interest income, VAT and Deposit for loss from customer (million Baht)			%			Allowance for doubtful debt (Million Baht)			% Allowance for doubtful debt		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Not yet due	5,032.90	3,854.88	2,736.07	75.72	78.31	82.76	44.11	37.48	26.04	1.00	1.00	1.00
Past due 1 month	474.28	300.87	189.37	7.14	6.11	5.73	45.27	29.45	18.55	10.00	10.00	10.00
Past due 2-3 months	514.22	295.72	200.12	7.74	6.01	6.05	101.05	58.05	39.40	20.00	20.00	20.00
Past due 4-6 months	263.27	207.53	119.09	3.96	4.22	3.60	103.27	81.66	47.11	40.00	40.00	40.00
Past due 7-9 months	168.39	142.98	37.94	2.53	2.90	1.15	99.38	84.55	22.62	60.00	60.00	60.00
Past due 10-12 months	120.97	97.59	10.57	1.82	1.98	0.32	95.48	77.11	8.44	80.00	80.00	80.00
Past due over 12 months	72.68	22.71	12.69	1.09	0.47	0.39	71.75	22.38	12.39	100.00	100.00	100.00
Total	6,646.71	4,922.28	3,305.85	100.00	100.00	100.00	560.31	390.68	174.55	8.43	7.94	5.28

For the aging of hire – purchase accounts receivable at the end of the years 2014 and 2013, detailed as follow, no overdue decreased from 78.31% to 75.72%, Past due 1 month increased from 6.11% to 7.14%, Past due 2-3 months increased from 6.01% to 7.74%, Past due 4-6 months decreased from 4.22% to 3.96%, Past due 7-9 months decreased from 2.90% to 2.53%, Past due 10-12 months decreased from 1.98% to 1.82%, Past due over 12 months increased from 0.47% to 1.09%.

For the aging of hire – purchase accounts receivable as at the end of the years 2013 and 2012, are not significantly different from the separate financial statement.

### **Allowance for doubtful debt**

#### **Separate financial statements**

As at the end of 2014, allowance for doubtful debt has amount Baht 432.44 million, increased from Baht 389.29 million at the end of 2013 11.08% which increasing on all of overdue level especially on overdue 10-12 months with 80% reserve has allowance for doubtful debt Baht 93.99 million, increased from Baht 77.11 million at the end of 2013 21.89%, and Past due over 12 months Past with 100% reserve has allowance for doubtful debt Baht 71.13 million, increased from Baht 22.38 million at the end of 2013 217.83%. And ratio of allowance for doubtful debt to hire purchase and installment sales receivables were 8.71%, increase from 8.09% at the end of 2013 mainly due to increasing of the overdue account receivable according to business cycle from expansion of hire-purchase portfolio continuously in passed, and from economic and the political situation . At the present ,the situation is normal but it also affect to allowance for doubtful debt in 2014.

As at the end of 2013, allowance for doubtful debt has amount Baht 389.29 million, increased from Baht 174.54 million at the end of 2012 123.04% which increasing on all of overdue level especially on overdue 7-9 months with 60% reserve has allowance for doubtful debt Baht 84.55 million, increased from Baht 22.62 million at the end of 2012 273.85%, Past due 10-12 months with 80% reserve has allowance for doubtful debt Baht 77.11 million, increased from Baht 8.44 million at the end of 2012 813.49%. And ratio of allowance for doubtful debt to hire purchase and installment sales receivables were 8.09%, increase from 5.28% at the end of 2012 mainly due to increasing of the overdue account receivable according to business cycle from expansion of hire-purchase portfolio continuously in passed one year and also in 2013, economic was quite slowdown from many factors, especially from the political situation in Q4, compare to the year 2012 allowance for doubtful account was very low with recovery from the flood at the end of 2011.

#### **Consolidated financial statements**

As at the end of 2014, allowance for doubtful debt has amount Baht 560.31 million, increased from Baht 390.68 million at the end of 2013 43.42% which increasing on all of overdue level especially on overdue 2-3 months with 20% reserve has allowance for doubtful debt Baht 101.05 million, increased from Baht 58.05 million at the end of 2013 74.07%, and Past due over 12 months Past with 100% reserve has allowance for doubtful debt Baht 71.75 million, increased from Baht 22.38 million at the end of 2013 220.60%. And ratio of allowance for doubtful debt to hire purchase and installment sales receivables were 8.43%, increase from 7.94% at the end of 2013 mainly due to increasing of the overdue account receivable according to business cycle from expansion of hire-purchase portfolio continuously in passed, and from economic and the political situation. At the present ,the situation is normal but it also affect to allowance for doubtful debt in 2014 and increased by acquisition of subsidiary in the year 2014.

As at the end of 2013, allowance for doubtful debt has amount Baht 390.69 million, increased from Baht 390.69 million 123.84% which increasing on all overdue level and allowance for doubtful debt to hire purchase and installment sales receivables were 7.94%, increase from 7.94% at the end of 2013 same as separate financial statements.

## Liabilities

### Separate financial statements

As at the end of 2014, the Company's total liabilities were Baht 4,678.67 million increased from Baht 1,458.89 million at the end of 2013 for Baht 3,219.78 million or 45.31 % which main liabilities were loans from financial and debentures in order to support business expansion for regional business and in the country and acquired of subsidiary in the year 2014 so the Company continuously borrow from long-term credit line.

As at the end of 2013, the Company's total liabilities were Baht 3,219.78 million increased from Baht 1,875.17 million at the end of 2012 for Baht 1,344.61 million or 71.71 % which main liabilities were loans from financial institutions to support continuous business expansion since Q2/2012 through the end of 2013 so the Company continuously borrow from long-term credit line.

### Consolidated financial statements

As at the end of 2014, the Company's total liabilities were Baht 4,758.36 million increased from Baht 1,522.93 million at the end of 2013 for Baht 3,235.43 million or 47.07% which main liabilities were loans from financial and debentures which increasing by parent company.

As at the end of 2013, the Company's total liabilities were Baht 3,235.43 million increased from Baht 1,876.00 million at the end of 2012 for Baht 1,359.43 million or 72.46 % which main liabilities were loans from financial institutions to support continuous business expansion since Q2/2012 through the end of 2013 so the Company continuously borrow from long-term credit line.

## Shareholders' Equity

### Separate financial statements

As at the end of 2014, the Company's shareholders' equity recorded Baht 2,518.94 million comprised of the issued and paid-up capital Baht 542.88 million, share premium Baht 1,084.25 million, capital reserve for share-based payment transactions Baht 3.59 million and the retained earnings of Baht 888.22 million. The shareholders' equity had increased Baht 268.25 million from the year 2013 or 11.92%. This came from the exercising of warrant Baht 181.08 million so the increasing of issued and paid up capital Baht 30.53 million and resulted in the increasing of the share premium of Baht 150.55 million. In addition, this also caused by the decreasing of the retained earnings of Baht 87.32 from million from net profit of Baht 144.22 million deducted by the amount of dividend paid totally Baht 56.90 million.

As at the end of 2013, the Company's shareholders' equity recorded Baht 2,250.69 million comprised of the issued and paid-up capital Baht 512.35 million, share premium Baht 933.68 million, warrant to buy ordinary share Baht 0.54 million, the share subscription received in advance (from the exercising of GL-W2 No.5 as of 27 December 2013 and on 3 January 2014, the Company has registered for an increase of paid-up capital with the Ministry of Commerce) Baht 1.00 million, capital reserve for share-based payment transactions Baht 2.22 million and the retained earnings of Baht 800.90 million. The shareholders' equity had increased Baht 665.77 million from the year 2012 or 42.01%. This came from the exercising of warrant Baht 613.93 million and issuance of stock dividend Baht 72.32 million which had increased the issued and paid-up capital for Baht 167.49 million and resulted in the increasing of the share premium of Baht 518.76 million. In addition, this also caused by the decreasing of the retained earnings of Baht 1.51 million from net profit of Baht 257.86 million deducted by the amount of dividend paid and issuance of stock dividend totally Baht 259.37 million.

### **Consolidated financial statements**

As at the end of 2014, the Company's shareholders' equity recorded Baht 2,512.27 million comprised of the issued and paid-up capital, share premium and capital reserve for share-based payment transactions, as same as the separate financial statements plus exchange differences on translation of financial statements in foreign currency Baht 36.25 million. Retained earnings recorded Baht 845.30 million which increased Baht 57.81 million from 2013. Total shareholders' equity increased Baht 251.18 million from 2013 or 11.11%

As at the end of 2013, the Company's shareholders' equity recorded Baht 2,261.08 million comprised of the issued and paid-up capital, share premium, warrant to buy ordinary share, the share subscription received in advance and capital reserve for share-based payment transactions, as same as the separate financial statements plus exchange differences on translation of financial statements in foreign currency Baht 23.80 million. Since Q3/2013 Group Lease Holding Pte. Ltd. (the subsidiary) acquired shares of GL Finance Plc., resulted increasing on the retained earnings of subsidiary companies and the amortization on exclusivity right. The shareholders' equity had increased Baht 673.27 million from the year 2012 or 42.40%.

### **Liquidity**

#### **Separate financial statements**

As for the year 2014, the Company's had the cash and cash equivalent decreased by Baht 15.01 million so that the cash and cash equivalent as of the end of the year had the outstanding balance of Baht 71.16 million. The net cash flows received and used in each activities was came from as follows:

The Company's net cash flow used in operating activities Baht 41.98 million which came from the net profit from the operating result before assets and liabilities changes of

Baht 1,186.88 million. The motorcycle hire purchase receivables increased Baht 552.75 million and the assets foreclosed increased by Baht 360.08 million.

The Company's net cash flow used in investment activities was Baht 1,566.74 million which used in the purchasing of properties of Baht 10.91 million, short-term loan to related parties Baht 1,401.91 million, receipt from short-term loan to related parties 445.16 ล้านบาท and interest received Baht 36.59 million.

The Company's net cash flow from financing activities was Baht 1,593.71 million which came from the cash received from long-term loan Baht 2,794.00 million, the overdraft accounts as well as the short-term loan also by Baht 236.45 million. Cash flow received from the warrant exercising was Baht 179.57 million. the repayment of long-term loan Baht 2,021.69 million, and payment of dividend of Baht 56.90 million.

As for the year 2013, the Company's had the cash and cash equivalent increased by Baht 75.27 million so that the cash and cash equivalent as of the end of the year had the outstanding balance of Baht 86.16 million. The net cash flows received and used in each activities was came from as follows:

The Company's net cash flow used in operating activities Baht 1,086.88 million which came from the net profit from the operating result before assets and liabilities changes of Baht 1,126.61 million. The motorcycle hire purchase receivables increased Baht 1,632.52 million and the assets foreclosed increased by Baht 325.91 million.

The Company's net cash flow used in investment activities was Baht 583.52 million which used in the purchasing of properties of Baht 14.22 million, cash paid for additional in share capital of subsidiary company Baht 92.01 million, short-term loan to related parties Baht 489.36 million, interest received Baht 2.18 million and dividend received Baht 10.00 million.

The Company's net cash flow from financing activities was Baht 1,745.67 million which came from the cash received from long-term loan Baht 2,837.0 million, the repayment of long-term loan Baht 1,461.44 million and the overdraft accounts as well as the short-term loan also by Baht 36.45 million. Cash flow received from the warrant exercising was Baht 592.61 million. Nevertheless, there was a payment of dividend of Baht 187.05 million.

### **Consolidated financial statements**

As for the year 2014, the Company's had the cash and cash equivalent increased by Baht 36.90 million so that the cash and cash equivalent as of the end of the year had the outstanding balance of Baht 357.45 million. The net cash flows received and used in each activities was came from as follows:

The Company's net cash flow used in operating activities Baht 39.78 million which came from the net profit from the operating result before assets and liabilities changes of Baht 1,469.19 million. The motorcycle hire purchase receivables increased Baht 796.47 million and the assets foreclosed increased by Baht 412.21 million.

The Company's net cash flow used in investment activities was Baht 678.83 million which used in Share subscription payment of subsidiary Baht 601.94 million the purchasing of properties of Baht 43.31 million, paid for additional in share capital of subsidiary Bath 46.96 million, cash paid for short-term loan to related parties Baht 3.29 million, and receipt from short-term loan to related parties Baht 22.66 million.

The Company's net cash flow from financing activities was Baht 746.44 million which came from the cash receipts from long-term loan of Baht 2,794.00 million, the overdraft accounts as well as the short-term loan also by Baht 236.45 million, received from issuance of debentures Baht 500.00 million, received from exercise of warrants Baht 179.57 million, Repayment of short-term loan from financial institution as at acquisition date of subsidiary Baht 2,888.74 million. Nevertheless, there was a payment of dividend of Baht 56.90 million.

As for the year 2013, the Company's had the cash and cash equivalent increased by Baht 306.18 million so that the cash and cash equivalent as of the end of the year had the outstanding balance of Baht 320.55 million. The net cash flows received and used in each activities was came from as follows:

The Company's net cash flow used in operating activities Baht 1,243.39 million which came from the net profit from the operating result before assets and liabilities changes of Baht 1,140.97 million. The motorcycle hire purchase receivables increased Baht 1,728.36 million and the assets foreclosed increased by Baht 325.91 million.

The Company's net cash flow used in investment activities was Baht 214.33 million which used in the purchasing of properties of Baht 21.15 million, cash paid for short-term loan to related parties Baht 111.42 million, Share subscription payment in advance before acquisition date of subsidiary Baht 65.37 million and cash paid for short-term loans Baht 23.13 million.

The Company's net cash flow from financing activities was Baht 1,745.67 million which came from the cash receipts from long-term loan of Baht 2,837.0 million, the repayment of long-term loan Baht 1,461.44 million and the overdraft accounts as well as the short-term loan also by Baht 36.45 million. Cash flow receipts from the warrant exercising was Baht 592.61 million. Nevertheless, there was a payment of dividend of Baht 187.05 million.

## Capital Structure

### Separate financial statements

For the capital structure at the end of the years 2014, 2013 and 2012, the Company's debt to equity ratio were 1.86 times, 1.43 times and 1.18 times, respectively. The ratio increased from long-term credit line and issued debentures for using the business expansion, detailed as follow :

1. Increasing of outsource funding such as bank overdrafts, promissory notes, debentures and long-term loan from the banks which was paid back by installments at floating rate close to MLR 5-8% and partial with fixed interest rate of 6.00% per annum. The Company's total liabilities increased from Baht 13,219.78 million in 2013 to Baht 4,678.67 million at the end of 2014, increase of Baht 1,458.89 million or 45.31 %. From the historical record, the company can repay the principal and interest by the due date and also in accordance with its loan covenant.

2. The increasing of capital from internal source in 2014 from the increasing of shareholders' equity from Baht 2,250.69 million in 2013 to Baht 2,518.94 million or an increase of Baht 268.25 million or 11.92 % which came from the increasing of issued and paid up capital Baht 30.53 million and the increasing in share premium of Baht 150.57 million from warrant exercising and from an increasing of retained earnings Baht 87.32 million from net profit of Baht 144.22 million deducted by the amount of dividend paid and issuance of stock dividend total Baht 56.90 million.

However in the future, the company may consider additional source of fund such as to issue debenture, loan from oversea financial institutions and increasing of credit line from financial institution up to the market situation and necessity of fund to provide flexible and appropriate funding structure to support varied business operation in Thailand and ASEAN.

### Consolidated financial statements

For the capital structure at the end of the years 2014, 2013 and 2012, the Company's debt to equity ratio were 1.89 times, 1.43 times and 1.18 times, respectively. Such ratio increased to the borrowing from long-term credit line use for the business expansion as same as the separate financial statements.

## Factors which may have influence to the Future Business operation

### 1. Political and Economic situation

The expansion of the hire purchase motorcycles business directly affected by motorcycle manufacturing industry which usually in the same line of economy. At the present, the political situation fairly stable and showed the good direction in the future due to political changes in the middle of the year 2014. While the government can start spending on mega projects to boost domestic consumption. This situation have a positive effect on the growth of the hire purchase motorcycles business.

### 2. Demand on usage of motorcycle

Demand on motorcycle could get in to the maturity stage in the future when consider from the trend of number of new units registration in Bangkok and Vicinity area and some areas in the upcountry. Some government policies may indirectly support usage of substituted vehicle such as low cost automobile in Eco car project, may have impact to the motorcycle industry.

### 3. Business expansion in the regional country

The company has target to expand motorcycle hire purchase business to the regional country in Asean, to enlarge the customer base, increase profit and risk diversify. Because motorcycle hire purchase business in many Asean countries are still under the beginning stage and have a big potential for business growth.

In the year 2014, the subsidiary in Cambodia have expanded Point of Sales (POS) 153 places which includes leasing Honda motorcycle 121 places and the Kubota agricultural machinery 32 places. Besides, the exclusive right from Honda affect to rapid business expansion and start generating profits for the company. It also has the potential to grow in the short term.

Moreover, the company has prepared for business operation in Laos. This company was incorporated with the Ministry of Industry and Commerce and is currently in the process of applying for a license to operate a motorcycle leasing business.

In addition, the company conducted business survey in other countries to find the way to expand business in ASEAN, also sometimes business proposal come from many countries. Overall, the company has the potential to grow in the regional ASEAN in many countries which in the future can expect to generate more profits with the risk reduction.

## Responsibility of the Board of Directors on Financial Statements

The Board of Directors of Group Lease Public Company Limited is responsible for the Company's financial statement and all financial information presented in the annual report. The financial statements have been prepared in accordance with generally accepted accounting standard in Thailand, which are based on appropriate accounting policies and careful forecasting practically suitable for the real business operation. All material information has been sufficiently disclosed in the notes to financial statements which based on the regulation of the Securities Exchange Commission and the Stock Exchange of Thailand. The independent auditor has audited and expressed an unqualified audit opinion on those financial statements.

In order to ensure the correctness, completeness and sufficiency of the Company's financial & accounting information and to prevent possible risks from the operation, the Board of Directors has set up effective internal control system and appointed Audit Committee which comprised of Independent Directors to take care and be accountable for the quality of the Company's financial report as well as internal control systems. The opinion of the Audit Committee was stated in the Report of the Audit Committee appeared in this annual report.

The Board of Directors, therefore, views that financial statement of Group Lease Public Company Limited as at December 31st, 2014 can transparently reflect the Company's financial position which is useful for all shareholders and other stakeholders.

**Board of Directors**  
**Group Lease Public Company Limited**  
February 26th, 2015

Group Lease Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2014

## **Independent Auditor's Report**

To the Shareholders of Group Lease Public Company Limited

I have audited the accompanying consolidated financial statements of Group Lease Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Group Lease Public Company Limited for the same period.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Group Lease Public Company Limited and its subsidiaries and of Group Lease Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Rungnapa Lertsuwankul  
Certified Public Accountant (Thailand) No. 3516

EY Office Limited  
Bangkok: 19 February 2015

Group Lease Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		financial statements			
		2014	2013	2014	2013
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	357,445,769	320,545,427	71,158,776	86,164,245
Current portion of hire purchase and installment sales receivables	7	3,163,952,717	2,208,369,556	2,330,499,874	2,145,483,744
Assets foreclosed	8	23,596,872	21,151,776	14,070,500	21,151,776
Short-term loan and interest receivable	9	24,776,473	23,366,222	-	-
Short-term loan to and interest receivable from related parties	18	38,424,749	55,162,132	1,190,165,904	203,881,722
Other current assets	10, 18	151,265,496	133,131,904	115,224,229	123,572,610
<b>Total current assets</b>		<b>3,759,462,076</b>	<b>2,761,727,017</b>	<b>3,721,119,283</b>	<b>2,580,254,097</b>
<b>Non-current assets</b>					
Pledged fixed deposit at financial institution	11	324,368	318,055	324,368	318,055
Share subscription payment in advance	18	-	-	-	330,815,218
Investment in subsidiary company	12	-	-	1,071,209,294	110,697,660
Hire purchase and installment sales receivables - long-term portion	7	2,922,437,617	2,323,225,940	2,202,279,224	2,275,917,341
Property, plant and equipment	13	100,641,844	70,875,473	62,422,194	61,017,216
Intangible assets	14	127,693,053	105,070,485	6,450,000	-
Goodwill	2.2	91,420,325	43,684,198	-	-
Deferred tax assets	15	106,295,722	60,977,746	70,807,645	60,977,746
Other non-current assets	16, 18	162,345,120	130,627,777	63,004,536	50,474,399
<b>Total non-current assets</b>		<b>3,511,158,049</b>	<b>2,734,779,674</b>	<b>3,476,497,261</b>	<b>2,890,217,635</b>
<b>Total assets</b>		<b>7,270,620,125</b>	<b>5,496,506,691</b>	<b>7,197,616,544</b>	<b>5,470,471,732</b>

The accompanying notes are an integral part of the financial statements.

Group Lease Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		financial statements		financial statements	
		2014	2013	2014	2013
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdraft and short-term loans from financial institutions	17	250,000,000	13,549,878	250,000,000	13,549,878
Trade accounts payable		9,075,132	4,317,026	6,350,905	3,219,050
Short-term loans from and interest payable to related party	18	19,797,307	-	-	-
Current portion of long-term loans	19	2,547,808,506	1,808,590,000	2,547,808,506	1,808,590,000
Income tax payable		-	49,445,424	-	45,481,307
Insurance premium payables		11,725,774	10,099,135	9,682,314	9,214,068
Accrued expenses		56,526,476	28,912,504	26,302,045	22,562,312
Other current liabilities		54,359,411	24,468,306	29,598,922	21,780,746
<b>Total current liabilities</b>		<b>2,949,292,606</b>	<b>1,939,382,273</b>	<b>2,869,742,692</b>	<b>1,924,397,361</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	19	1,312,047,016	1,288,930,003	1,312,047,016	1,288,930,003
Debentures	20	488,303,334	-	488,303,334	-
Provision for long-term liabilities					
Provision for long-term employee benefits	21	6,379,382	4,156,916	6,379,382	4,156,916
Cash guarantee for damage on hire purchase agreements		2,325,393	2,301,871	2,196,263	2,301,871
Deferred tax liabilities	15	-	652,795	-	-
<b>Total non-current liabilities</b>		<b>1,809,055,125</b>	<b>1,296,041,585</b>	<b>1,808,925,995</b>	<b>1,295,388,790</b>
<b>Total liabilities</b>		<b>4,758,347,731</b>	<b>3,235,423,858</b>	<b>4,678,668,687</b>	<b>3,219,786,151</b>

The accompanying notes are an integral part of the financial statements.

**Group Lease Public Company Limited and its subsidiaries**  
**Statement of financial position (continued)**  
**As at 31 December 2014**

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		2014	2013	2014	2013
<b>Shareholders' equity</b>					
Share capital	23				
Registered					
1,441,852,272 ordinary shares of Baht 0.50 each		<u>720,926,136</u>	<u>720,926,136</u>	<u>720,926,136</u>	<u>720,926,136</u>
Issued and paid-up					
1,085,769,632 ordinary shares of Baht 0.50 each					
(2013: 1,024,706,958 ordinary shares of Baht 0.50 each)		542,884,816	512,353,479	542,884,816	512,353,479
Share premium	23	1,084,254,433	933,680,028	1,084,254,433	933,680,028
Share subscription received in advance		-	996,839	-	996,839
Warrants	24	-	535,689	-	535,689
Capital reserve for share-based payment transactions	24	3,584,428	2,223,017	3,584,428	2,223,017
Retained earnings					
Appropriated - statutory reserve	26	72,092,614	72,092,614	72,092,614	72,092,614
Unappropriated		773,206,490	715,399,894	816,131,566	728,803,915
Exchange differences on translation of financial statements in foreign currency		36,249,613	23,801,273	-	-
<b>Total shareholders' equity</b>		<u>2,512,272,394</u>	<u>2,261,082,833</u>	<u>2,518,947,857</u>	<u>2,250,685,581</u>
<b>Total liabilities and shareholders' equity</b>		<u>7,270,620,125</u>	<u>5,496,506,691</u>	<u>7,197,616,544</u>	<u>5,470,471,732</u>
		0	0	0	0

The accompanying notes are an integral part of the financial statements.

Directors

Group Lease Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated		Separate financial statements	
		financial statements			
		2014	2013	2014	2013
<b>Profit or loss</b>					
<b>Revenues</b>					
Hire purchase interest income		1,666,739,017	1,258,280,481	1,389,653,953	1,251,387,184
Other income		205,334,694	213,260,071	216,717,407	190,264,303
<b>Total revenues</b>		<u>1,872,073,711</u>	<u>1,471,540,552</u>	<u>1,606,371,360</u>	<u>1,441,651,487</u>
<b>Expenses</b>					
Services and administrative expenses		561,141,506	362,844,679	356,114,249	318,476,998
Bad debts and doubtful accounts		494,857,518	343,635,227	441,370,653	342,425,389
Loss on disposals of foreclosed assets		431,819,548	314,386,646	377,812,551	314,386,646
<b>Total expenses</b>		<u>1,487,818,572</u>	<u>1,020,866,552</u>	<u>1,175,297,453</u>	<u>975,289,033</u>
<b>Profit before finance cost and</b>					
<b>income tax expenses</b>		384,255,139	450,674,000	431,073,907	466,362,454
Finance cost	19	(250,417,641)	(145,707,696)	(250,390,976)	(145,707,696)
<b>Profit before income tax expenses</b>		<u>133,837,498</u>	<u>304,966,304</u>	<u>180,682,931</u>	<u>320,654,758</u>
Income tax expenses	15	(19,133,574)	(64,652,925)	(36,457,952)	(62,798,569)
<b>Profit for the year</b>		<u>114,703,924</u>	<u>240,313,379</u>	<u>144,224,979</u>	<u>257,856,189</u>
<b>Other comprehensive income</b>					
Exchange differences on translation					
of financial statements in foreign currency		12,448,340	25,044,037	-	-
<b>Other comprehensive income for the year</b>		<u>12,448,340</u>	<u>25,044,037</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>127,152,264</u>	<u>265,357,416</u>	<u>144,224,979</u>	<u>257,856,189</u>
<b>Earnings per share</b>					
<b>Basis earnings per share</b>					
Profit for the year	28	0.109	0.252	0.137	0.270
Weighted average number of ordinary shares (shares)		<u>1,052,988,458</u>	<u>953,578,583</u>	<u>1,052,988,458</u>	<u>953,578,853</u>
<b>Diluted earnings per share</b>					
Profit for the year		0.106	0.228	0.134	0.244
Weighted average number of ordinary shares (shares)		<u>1,077,369,449</u>	<u>1,055,420,358</u>	<u>1,077,369,449</u>	<u>1,055,420,358</u>

The accompanying notes are an integral part of the financial statements.

## **Group Lease Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2014**

#### **1. General information**

Group Lease Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand.

The Company operates its business in Thailand and its subsidiaries operate their businesses in overseas. The Company is principally engaged in the hire purchase of motorcycles. The principal activities of the overseas subsidiaries are the hire purchase of motorcycles, while one overseas subsidiary is a financial advisory and investment holding company.

The Company’s registered address is 63 Soi 1, Tesabalnimitretai Road, Ladyao, Chatujak, Bangkok. The Company has 6 branches in Phra Nakhon Si Ayutthaya, Chon Buri (2 sub-branches), Rayong, Nakhon Ratchasima and Nonthaburi.

The major shareholders of the Company are Engine Holdings Asia Pte. Ltd. (incorporated in Singapore) and A.P.F Holding Company Limited (incorporated in Thailand). The parent company of the Group is Wedge Holdings Company Limited (incorporated in Japan).

In addition, during the current year, the Company invested in a new subsidiary in Thailand as described in Note 2.2. The principal activity of the subsidiary is the hire purchase of motorcycles.

#### **2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and the following subsidiary companies ("the subsidiaries"):

Company's name	Country of incorporation	Percentage owned by the Company		Nature of business
		2014	2013	
Group Lease Holding Pte. Ltd.	Singapore	100	100	Financial advisory and investment holding company
GL Finance Plc. (shares held by Group Lease Holding Pte. Ltd.)	Cambodia	100	100	Hire purchase services for motorcycles
Thanaban Company Limited	Thailand	100	-	Hire purchase services for motorcycles
GL Leasing (Laos) Ltd. (shares held by Group Lease Holding Pte. Ltd.)	Loas	100	-	Hire purchase services for motorcycles

On 18 June 2014, a meeting of the Company's Board of Directors approved the acquisition of shares of Thanaban Company Limited ("TNB") from a financial institution. Thanaban Company Limited was incorporated in Thailand and its main activity is the hire purchase services for motorcycles.

On the same day, the Company and the seller entered into a sale and purchase agreement, whereby the Company purchased 5,650,000 shares of Thanaban Company Limited, equivalent to 100 % of the issued and paid up share capital. The total value of the agreement was Baht 629.7 million.

The Company paid the value of the shares per the sale and purchase agreement in cash, and on 2 July 2014 received the shares and registered the change in shareholder with the Ministry of Commerce.

These consolidated financial statements include the statement of financial position of Thanaban Company Limited as at 31 December 2014 and its profit or loss for the period from the investment date to 31 December 2014. The excess of the purchase price over the fair value of the net assets acquired was recorded as goodwill. However, the Company recorded some assets acquired at their net book value, not fair value as a result of purchase price allocation. The Company is awaiting an independent appraiser in order to allocate the fair value associated with the assets. The Company expects to obtain the complete purchase price allocation appraisal report during the second quarter of 2015.

Details of the fair value of identifiable net assets of TNB, and their net book value, as of the acquisition date (before purchase price allocation appraisal) are as follows:

	(Unit: Million Baht)	
	<u>Fair value</u>	<u>Net book value</u>
<b>Assets</b>		
Cash and cash equivalents	27,804	27,804
Hire purchase and installment sales receivables	1,384,638	1,384,638
Assets foreclosed	8,856	9,066
Property, plant and equipment	6,247	6,247
Intangible assets (Note 14)	34,173	783
Deferred tax assets	23,572	30,208
Other assets	119,138	119,138
<b>Total assets</b>	<u>1,604,428</u>	<u>1,577,884</u>
<b>Liabilities</b>		
Long-term loans and accrued interest	867,047	867,047
Other liabilities	152,800	152,800
<b>Total liabilities</b>	<u>1,019,847</u>	<u>1,019,847</u>
<b>Net assets value</b>	<u>584,581</u>	<u>558,037</u>
Equity of the Company (%)	100	
Net asset value attributable to the company's investment	584,581	
Positive goodwill	45,160	
<b>Purchase price</b>	<u>629,741</u>	
Less: Cash and cash equivalents of subsidiary	<u>(27,804)</u>	
<b>Cash paid for acquisition in subsidiary - the Group</b>	<u>601,937</u>	

Details of acquisition of Thanaban Company Limited are as follows.

	(Unit: Million Baht)
<b>Purchase price</b>	
Cash paid	629,741
Fair value of net assets received	<u>(584,581)</u>
<b>Goodwill</b>	<u>45,160</u>

The operating gain of subsidiary from the acquisition date to 31 December 2014 amounting to Baht 74.7 million is included in the consolidated financial statements.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date that when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. Book value of investments and shareholder’s equity of its subsidiaries have also been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associates presented under the cost method, have been prepared solely for the benefit of the public.

### **3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

**(a) Financial reporting standards that became effective in the current accounting year**

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

**(b) Financial reporting standards that will become effective in the future**

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

**TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognise actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognising those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in

the financial statements.

### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in *TAS 27 Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### **a) Hire purchase interest income**

Hire purchase interest income is recognised as income over the period of payment, using the effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. However,

recognition of interest income is ceased for receivables which have defaulted on more than 4 scheduled installment payments.

b) Penalty income

Penalty income is recognised when received.

c) Other fee income

Fee for other services is recognised as income on an accrual basis.

d) Interest income

Interest income is recognised on an accrual basis based on effective interest rate.

e) Dividends

Dividends are recognised when the right to receive the dividends is established.

#### **4.2 Expense recognition**

a) Interest expenses

Interest expenses are charged to expenses on an accrual basis. Interest included in face value of note payable is amortised to expenses evenly throughout the term of the notes.

b) Commissions and direct expenses of the hire purchase business

The Company and its subsidiaries recorded the initial commissions and direct expenses arising in respect of hire purchase contracts, by the effective interest method, and deducting them from unearned income over the installment period to reflect the effective rate of return of hire purchase agreements.

Unearned interest income is stated net of commissions and direct expenses incurred at the initiation of the hire purchase contract.

#### **4.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.4 Receivables and allowance for doubtful accounts**

Hire purchase and installment sales receivables are stated net of unearned hire purchase interest income and allowance for doubtful accounts.

The Company and its subsidiaries provide allowance for doubtful accounts for hire purchase receivables based on the estimated collection losses that may be incurred in collection of receivables, by considering of the current status of receivables, their

ability to make payment, past experience and historical data on actual losses on collection.

#### **4.5 Assets foreclosed**

These represent assets repossessed from hire purchase and installment sales receivables and are stated at the lower of cost (which mostly comprises the net outstanding balance) and estimated net realisable value. Allowance is made for the decline in value of the repossessed assets.

#### **4.6 Investment in subsidiaries**

Investments in subsidiaries are accounted for, in the separate financial statements, using the cost method. Loss on impairment (if any) of investments in subsidiaries are included in the comprehensive income statements.

#### **4.7 Property, plant and equipment/Depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalised, while expenditures for maintenance and repairs are charged to profit or loss.

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Buildings	20 years
Building improvement	5, 10 years
Furniture and office equipment	5, 10 years

Building improvement and lease area are charged to profit or loss over the lease period.

Depreciation for computers, equipment and motor vehicles is calculated by the reference to their costs, using the sum of the years' digits method over useful lives of 3 - 5 years.

Depreciation is included in determining income.

No depreciation is provided for land.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the

asset is derecognised.

#### **4.8 Intangible assets**

Intangible assets are initially recognised at their fair value. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows.

	<u>Useful lives</u>
Exclusive right agreement	5 years 10 months
Computer software	3, 10 years
Dealer network	10.5 years
Customer relationship	5.5 years

#### **4.9 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.10 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control

with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### **4.11 Impairment of assets**

The Company and its subsidiaries assess at each reporting date whether there is an indication that property, plant and equipment and other intangible assets may be impaired. If any indication exists, the Company and its subsidiaries estimate the assets recoverable amount. An assets recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the comprehensive income statement.

#### **4.12 Employee benefits**

##### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### *Post-employment benefits*

##### Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employee and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

### Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by management based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

### **4.13 Equity-settled share-based payment transactions**

The Company recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

### **4.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

#### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

#### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary

differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.15 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.16 Borrowing costs**

Borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **4.17 Interest rate swap contracts**

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

#### **4.18 Provisions**

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ.

The significant accounting judgements and estimates are as follows:

### **5.1 Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **5.2 Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management has estimated the percentage of the allowance for doubtful accounts for each age of receivable on the basis of historical statistical data, assessment of the risk associated with the receivable, the nature of the collateral provided, and actual losses arising from such debtors in the past, while emphasising the principal of conservatism.

### **5.3 Diminution in value of assets foreclose**

In determining diminution in value of assets foreclose, management apply judgment in estimating the anticipated losses on such assets, based on analysis of various factors, including net realisable value, historical sales data, the age of the assets and the prevailing economic condition.

### **5.4 Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **5.5 Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

## 5.6 Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

## 5.7 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	854	1,470	177	469
Bank deposits	356,592	319,075	70,982	85,695
<b>Total</b>	<b>357,446</b>	<b>320,545</b>	<b>71,159</b>	<b>86,164</b>

As at 31 December 2014 and 2013, bank deposits in saving accounts of the Company and its subsidiaries carried interest 0.30 - 0.85% per annum and 0.50% per annum, respectively (the Company only: 0.37 - 0.50% per annum and 0.50% per annum, respectively).

## 7. Hire purchase and installment sales receivables

7.1 As at 31 December 2014 and 2013, the balances of hire purchase and installment sales receivables are as follows:

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	2014	2013	2014	2013	2014	2013
<b>Normal receivables</b>						
Hire purchase and installment sales receivables	4,558,881	3,261,920	3,689,276	2,940,518	8,248,157	6,202,438
Accrued hire purchase and installment sales income	182,973	134,312	-	-	182,973	134,312
Less: Unearned hire purchase and installment sales income, net	(1,611,257)	(1,218,699)	(805,766)	(669,478)	(2,417,023)	(1,888,177)
<b>Total normal receivable</b>	<b>3,130,597</b>	<b>2,177,533</b>	<b>2,883,510</b>	<b>2,271,040</b>	<b>6,014,107</b>	<b>4,448,573</b>

(Unit: Thousand Baht)

	Consolidated financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	2014	2013	2014	2013	2014	2013
<b>Terminated agreements receivables</b>						
Hire purchase and installment sales receivables	476,576	316,571	365,203	327,661	841,779	644,232
Accrued hire purchase and installment sales income	54,280	48,037	-	-	54,280	48,037
Less: Unearned hire purchase and installment sales income, net	(173,335)	(131,353)	(90,126)	(87,207)	(263,461)	(218,560)
<b>Total terminated agreements receivables</b>	<b>357,521</b>	<b>233,255</b>	<b>275,077</b>	<b>240,454</b>	<b>632,598</b>	<b>473,709</b>
<b>Total receivables</b>	<b>3,488,118</b>	<b>2,410,788</b>	<b>3,158,587</b>	<b>2,511,494</b>	<b>6,646,705</b>	<b>4,922,282</b>
<b>Less: Allowance for doubtful accounts</b>	<b>(324,165)</b>	<b>(202,419)</b>	<b>(236,149)</b>	<b>(188,268)</b>	<b>(560,314)</b>	<b>(390,687)</b>
<b>Hire purchase and installment sales receivables, net</b>	<b>3,163,953</b>	<b>2,208,369</b>	<b>2,922,438</b>	<b>2,323,226</b>	<b>6,086,391</b>	<b>4,531,595</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Current portion of hire purchase and installment sales receivables		Long-term portion of hire purchase and installment sales receivables		Total	
	2014	2013	2014	2013	2014	2013
<b>Normal receivables</b>						
Hire purchase and installment sales receivables	3,391,811	3,183,459	2,804,616	2,863,467	6,196,427	6,046,926
Accrued hire purchase and installment sales income	134,927	132,083	-	-	134,927	132,083
Less: Unearned hire purchase and installment sales income, net	(1,233,609)	(1,202,291)	(633,937)	(639,736)	(1,867,546)	(1,842,027)
<b>Total normal receivable</b>	<b>2,293,129</b>	<b>2,113,251</b>	<b>2,170,679</b>	<b>2,223,731</b>	<b>4,463,808</b>	<b>4,336,982</b>
<b>Terminated agreements receivables</b>						
Hire purchase and installment sales receivables	381,251	316,571	284,834	327,661	666,085	644,232
Accrued hire purchase and installment sales income	47,983	48,037	-	-	47,983	48,037
Less: Unearned hire purchase and installment sales income, net	(138,708)	(131,353)	(73,942)	(87,207)	(212,650)	(218,560)
<b>Total terminated agreements receivables</b>	<b>290,526</b>	<b>233,255</b>	<b>210,892</b>	<b>240,454</b>	<b>501,418</b>	<b>473,709</b>
<b>Total receivables</b>	<b>2,583,655</b>	<b>2,346,506</b>	<b>2,381,571</b>	<b>2,464,185</b>	<b>4,965,226</b>	<b>4,810,691</b>
<b>Less: Allowance for doubtful accounts</b>	<b>(253,155)</b>	<b>(201,022)</b>	<b>(179,292)</b>	<b>(188,268)</b>	<b>(432,447)</b>	<b>(389,290)</b>
<b>Hire purchase and installment sales receivables, net</b>	<b>2,330,500</b>	<b>2,145,484</b>	<b>2,202,279</b>	<b>2,275,917</b>	<b>4,532,779</b>	<b>4,421,401</b>

7.2 As at 31 December 2014 and 2013, the balances of hire purchase and installment sales receivables (net of unearned hire purchase income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2014	2013	2014	2013	2014	2013
<b>Hire purchase and installment sales receivables</b>						
Not yet due	5,032,898	3,854,884	44,109	37,479	4,988,789	3,817,405
Past due:						
1 month	474,283	300,868	45,277	29,454	429,006	271,414
2 - 3 months	514,216	295,720	101,049	58,047	413,167	237,673
4 - 6 months	263,272	207,533	103,271	81,661	160,001	125,872
7 - 9 months	168,393	142,983	99,379	84,554	69,014	58,429
10 - 12 months	120,967	97,591	95,478	77,108	25,489	20,483
Over 12 months	72,676	22,703	71,751	22,384	925	319
<b>Total</b>	<b>6,646,705</b>	<b>4,922,282</b>	<b>560,314</b>	<b>390,687</b>	<b>6,086,391</b>	<b>4,531,595</b>

(Unit: Thousand Baht)

Separate financial statements						
Aging	Hire purchase and installment sales receivables		Allowance for doubtful accounts		Hire purchase and installment sales receivables, net	
	2014	2013	2014	2013	2014	2013
<b>Hire purchase and installment sales receivables</b>						
Not yet due	3,884,740	3,746,064	38,197	36,441	3,846,543	3,709,623
Past due:						
1 month	295,458	298,632	29,145	29,231	266,313	269,401
2 - 3 months	298,133	295,325	58,895	57,967	239,238	237,358
4 - 6 months	176,842	207,394	69,911	81,605	106,931	125,789
7 - 9 months	119,887	142,983	71,178	84,554	48,709	58,429
10 - 12 months	118,492	97,591	93,992	77,108	24,500	20,483
Over 12 months	71,674	22,702	71,129	22,384	545	318
<b>Total</b>	<b>4,965,226</b>	<b>4,810,691</b>	<b>432,447</b>	<b>389,290</b>	<b>4,532,779</b>	<b>4,421,401</b>

7.3 As at 31 December 2014 and 2013, the future minimum lease payments receivable under hire purchase agreements together with the present value of the net minimum lease payments receivable are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2014		2013	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	5,272,710	3,488,118	3,760,840	2,410,788
After one year but not more than five years	4,054,479	3,158,587	3,268,179	2,511,494
<b>Total</b>	<b>9,327,819</b>	<b>6,646,705</b>	<b>7,029,019</b>	<b>4,922,282</b>
Less: Amounts representing finance charges	(2,680,484)		(2,106,737)	
<b>Present value of minimum lease payments</b>	<b>6,646,705</b>		<b>4,922,282</b>	

(Unit: Thousand Baht)

	Separate financial statements			
	2014		2013	
	Minimum payments receivable	Present value of payments receivable	Minimum payments receivable	Present value of payments receivable
Within one year	3,955,972	2,583,655	3,680,150	2,346,506
After one year but not more than five years	3,089,450	2,381,571	3,191,128	2,464,185
Total	7,045,422	4,965,226	6,871,278	4,810,691
Less: Amounts representing finance charges	(2,080,196)		(2,060,587)	
Present value of minimum lease payments	4,965,226		4,810,691	

7.4 On 30 April 2004, the Institute of Certified Accountants and Auditors of Thailand, with the approval of the Office of the Securities and Exchange Commission, stipulated an accounting guideline for the consumer finance business, whereby recognition of revenue is to cease for accounts receivable which are overdue by more than 3 installments. However, this accounting guideline provides an alternative whereby, in cases where a company believes that the guideline would not be appropriate, it is to disclose the method it uses. The Company has a policy to cease recognising revenue from hire purchase receivables which are overdue by more than 4 installments. As at 31 December 2014 and 2013, there are outstanding hire purchase receivable amounting to approximately Baht 635.3 million and Baht 497.4 million, respectively (the Company only: Baht 512.7 million and Baht 497.4 million, respectively), for which installment payments are more than 3 installments overdue but for which revenue is still being recognised.

In addition, if the Company had followed this accounting guideline, the amount of revenue recognised for the year ended 31 December 2014 and 2013 would be reduced by Baht 24.1 million and Baht 21.7 million, respectively (the Company only: Baht 21.8 million and Baht 21.7 million, respectively).

7.5 The Company's hire purchase agreements have terms of 1 - 3 years and require settlement in equal installments.

7.6 As at 31 December 2014 and 2013, the Company had transferred rights of claim under hire purchase agreements with outstanding balances (before net of unearned hire purchase interest income) of Baht 5,895 million and Baht 4,845 million, respectively (the Company only: Baht 5,048 million and Baht 4,845 million, respectively), in order to secure credit facilities granted by commercial banks as discussed in Notes 17 and 19.

## 8. Assets foreclosed

As at 31 December 2014 and 2013, assets foreclosed are presented as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Reposessed assets	41,305	42,990	25,254	42,990
Less: Allowance for diminution in value of assets foreclosed	(17,708)	(21,838)	(11,183)	(21,838)
Assets foreclosed, net	23,597	21,152	14,071	21,152

## 9. Short-term loan and interest receivable

The subsidiary company entered into JPY 10.3 million and USD 0.6 million short-term loan agreement with an overseas company. The loan has a term of 1 year and the interest charge are 7.5%, respectively. As at 31 December 2014, the outstanding balance of short-term loan and interest receivable amounted to JPY 11.3 million and USD 0.7 million (2013: JPY 10.6 million and USD 0.6 million).

## 10. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accrued income	8,291	7,797	10,950	3,357
Prepaid expenses	101,043	100,573	85,715	96,191
Other receivable - sales of assets foreclosed	15,014	17,539	12,419	17,539
Other receivables	25,193	5,661	4,150	4,924
Undue input tax	1,295	2,272	1,295	2,272
Others	2,955	1,816	3,221	1,816
Total	153,791	135,658	117,750	126,099
Less: Allowance for doubtful accounts	(2,526)	(2,526)	(2,526)	(2,526)
Other current assets, net	151,265	133,132	115,224	123,573

## 11. Pledged fixed deposit at financial institution

This represents fixed deposit pledged with bank for the issuance of letter of bank guarantees for the Company, as discussed in Note 30.4.

## 12. Investment in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Paid-up capital		Shareholdings percentage		Cost		Dividend received during the year	
	2014	2013	2014	2013	2014	2013	2014	2013
Thanaban Company Limited	629,696	-	100	-	629,696	-	-	-
Group Lease Holding Pte. Ltd. and its subsidiaries.	441,513	110,698	100	100	441,513	110,698	-	10,000
					<u>1,071,209</u>	<u>110,698</u>	<u>-</u>	<u>10,000</u>

### The Company

On 16 December 2013, a meeting of the Board of Directors of the Company approved an additional investments in Group Lease Holding Pte. Ltd. ("GLH") totaling 13.09 million ordinary shares (or 100% of the shares of the subsidiary in issue) at a price equal to the par value of SGD 1 per share, or a total of SGD 13.09 million (equivalent to Baht 330.82 million). The Company approved the conversion of the loan and interest payable, amounting to Baht 308.77 million and USD 0.79 million, to equity in GLH as stipulated in the loan capitalisation agreement. On 27 January 2014, GLH registered the increase in its paid up share capital with the Accounting and Corporate Regulatory Authority in Singapore.

As at 31 December 2014, investment in GLH in the separate financial statements amounted to SGD 17.70 million (2013: investment in GLH and share subscription payment in advance represented SGD 4.61 million and SGD 13.09 million).

During the current year the Company purchased 5.65 million ordinary shares of Thanaban Company Limited ("TNB") at a price of Baht 111.46 per share, or for a total of Baht 629.7 million. As at 31 December 2014, the Company held 5.65 million ordinary shares of TNB or 100% of the total issued and paid up shares of TNB.

### Group Lease Holding Pte. Ltd. and its subsidiaries

During May 2013, GLH entered into an agreement to lend GL Finance Plc. (“GLF”) USD 2.1 million, interest-free and due at call. On 19 June 2013, a meeting of the Board of Directors of GLH approved an additional investment in GLF, totaling USD 3.1 million (equivalent to Baht 96.49 million), and approved the conversion of the loan to equity in GLF, together with cash payment of the outstanding balance. GLF registered the increase in its registered share capital with the Accounting and Corporate Regulatory Authority in Cambodia on 9 July 2014.

On 22 May 2014, a meeting of the Board of Directors of GLH approved an additional investment in 15,000 ordinary shares of GLF (or 100% of the shares of the subsidiary in issue) at a price equal to the par value of USD 200 per share, or a total of USD 3 million. GLH approved the conversion of the loan, amounting to USD 3 million, to equity in GLF, as stipulated in the loan capitalisation agreement. GLF received approval to register the increase in share capital from the National Bank of Cambodia on 2 October 2014. However, the registration of the increase of shares with the Accounting and Corporate Regulatory Authority in Cambodia is currently in progress, and the GLH's management expect the transaction to be completed during the second quarter of 2015.

As at 31 December 2014, GLH held 16,500 ordinary shares of GLF (or 100% of the total issued and paid up shares) or a total of investment of USD 3.3 million and share subscription payment in advance of USD 3.0 million, respectively.

On 5 February 2014, Board of Directors meeting of the Company's subsidiary passed a resolution to establish GL Leasing (Laos) Company Limited, which is to be incorporated and domiciled in Laos. This company was incorporated with the Ministry of Industry and Commerce in Laos on 21 April 2014 and is currently in the process of applying for a license to operate a motorcycle leasing business in Laos.

### 13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Work in process	
<b>Cost</b>								
1 January 2013	35,983	45,553	6,209	20,527	12,430	17,560	-	138,262
Additions	-	-	6,938	4,298	4,900	5,014	-	21,150
Disposals/Write-off	-	-	-	(610)	(582)	(55)	-	(1,247)
Transfer out	-	-	-	-	-	-	(863)	(863)
Increase from acquisition of GLF	-	-	-	906	1,671	2,910	863	6,350
Exchange differences on translation of Financial statements in foreign currency	-	-	7	82	150	300	-	539
31 December 2013	35,983	45,553	13,154	25,203	18,569	25,729	-	164,191
Additions	-	-	1,510	4,010	11,745	5,703	20,340	43,308
Disposals/Write-off	-	-	(7)	(2,045)	(1,211)	(484)	-	(3,747)
Transfer in (out)	-	-	10,219	2,364	5,068	44	(20,544)	(2,849)
Increase from acquisition of TNB	-	-	-	10,865	3,971	-	-	14,836
Exchange differences on translation of Financial statements in foreign currency	-	-	22	47	129	100	204	502
31 December 2014	35,983	45,553	24,898	40,444	38,271	31,092	-	216,241
<b>Accumulated depreciation</b>								
1 January 2013	-	37,695	4,920	18,626	10,758	10,439	-	82,438
Depreciation for the year	-	2,075	486	958	2,721	4,361	-	10,601
Depreciation on disposals/Write-off	-	-	-	(610)	(582)	(34)	-	(1,226)
Increase from acquisition of GLF	-	-	-	142	612	621	-	1,375
Exchange differences on translation of Financial statements in foreign currency	-	-	-	12	52	64	-	128
31 December 2013	-	39,770	5,406	19,128	13,561	15,451	-	93,316
Depreciation for the year	-	354	1,438	3,034	6,640	5,702	-	17,168
Depreciation on disposals/Write-off	-	-	(7)	(2,023)	(1,192)	(444)	-	(3,666)
Increase from acquisition of TNB	-	-	-	6,476	2,112	-	-	8,588
Exchange differences on translation of Financial statements in foreign currency	-	-	1	12	132	48	-	193
31 December 2014	-	40,124	6,838	26,627	21,253	20,757	-	115,599
<b>Net book value</b>								
31 December 2013	35,983	5,783	7,748	6,075	5,008	10,278	-	70,875
31 December 2014	35,983	5,429	18,060	13,817	17,018	10,335	-	100,642
<b>Depreciation for the year</b>								
2014								17,168
2013								10,601

(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings	Building improvement and lease area	Furniture and office equipment	Computers and equipment	Motor vehicles	Total
<b>Cost</b>							
1 January 2013	35,983	45,553	6,209	20,527	12,430	17,560	138,262
Additions	-	-	6,794	3,447	3,401	579	14,221
Disposals	-	-	-	(610)	(582)	-	(1,192)
31 December 2013	35,983	45,553	13,003	23,364	15,249	18,139	151,291
Additions	-	-	1,385	1,413	5,608	2,503	10,909
Disposals/Write-off	-	-	(7)	(1,159)	(1,135)	(484)	(2,785)
31 December 2014	35,983	45,553	14,381	23,618	19,722	20,158	159,415
<b>Accumulated depreciation</b>							
1 January 2013	-	37,695	4,920	18,626	10,758	10,439	82,438
Depreciation for the year	-	2,075	476	827	2,197	3,453	9,028
Depreciation on disposals/ write-off	-	-	-	(610)	(582)	-	(1,192)
31 December 2013	-	39,770	5,396	18,843	12,373	13,892	90,274
Depreciation for the year	-	354	1,273	1,367	3,464	2,987	9,445
Depreciation on disposals/ write-off	-	-	(7)	(1,140)	(1,134)	(445)	(2,726)
31 December 2014	-	40,124	6,662	19,070	14,703	16,434	96,993
<b>Net book value</b>							
31 December 2013	35,983	5,783	7,607	4,521	2,876	4,247	61,017
31 December 2014	35,983	5,429	7,719	4,548	5,019	3,724	62,422
<b>Depreciation for the year</b>							
2014							9,445
2013							9,028

As at 31 December 2014 and 2013, certain equipment items of the Company has been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 71.9 million and Baht 32.9 million, respectively (the Company only: Baht 70.7 million and Baht 32.9 million, respectively).

The Company has mortgaged land and construction thereon with a total net book value as at 31 December 2014 of Baht 21.4 million (2013: Baht 21.4 million) as collateral for bank overdraft and short-term loans from financial institutions and long-term credit facilities as discussed in Notes 17 and 19.

## 14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Exclusive right agreement	Computer software	Leasehold	Software under development	Dealer network	Customer relationship	
<b>Cost</b>							
1 January 2013	-	-	-	-	-	-	-
Acquisitions during the year - at cost	-	582	-	1,290	-	-	1,872
Increase from acquisition of GLF	109,281	-	-	-	-	-	109,281
Transfer in	-	863	-	-	-	-	863
Exchange differences on translation of financial statements in foreign currency	5,921	70	-	48	-	-	6,039
31 December 2013	115,202	1,515	-	1,338	-	-	118,055
Acquisitions during the year - at cost	-	91	-	6,555	-	-	6,646
Increase from acquisition of TNB	-	1,007	150	-	32,720	670	34,547
Write-off	-	-	(150)	-	-	-	(150)
Transfer in (out)	-	4,182	-	(1,332)	-	-	2,850
Exchange differences on translation of financial statements in foreign currency	524	90	-	(6)	-	-	608
31 December 2014	115,726	6,885	-	6,555	32,720	670	162,556
<b>Amortisation</b>							
1 January 2013	-	-	-	-	-	-	-
Amortisation for the year	9,246	179	-	-	-	-	9,424
Increase from acquisition of GLF	3,036	-	-	-	-	-	3,036
Exchange differences on translation of financial statements in foreign currency	518	6	-	-	-	-	524
31 December 2013	12,800	185	-	-	-	-	12,985
Amortisation for the year	19,005	619	13	-	1,558	61	21,256
Increase from acquisition of TNB	-	284	90	-	-	-	374
Write-off	-	-	(103)	-	-	-	(103)
Exchange differences on translation of financial statements in foreign currency	341	10	-	-	-	-	351
31 December 2014	32,146	1,098	-	-	1,558	61	34,863
<b>Net book value</b>							
31 December 2013	102,402	1,330	-	1,338	-	-	105,070
31 December 2014	83,580	5,787	-	6,555	31,162	609	127,693

	(Unit: Thousand Baht)
	<u>Separate financial statement</u>
	<u>Software under development</u>
<b>Cost</b>	
1 January 2014	-
Acquisitions during the year - at cost	6,450
31 December 2014	<u>6,450</u>
<b>Amortisation</b>	
1 January 2014	-
Amortisation for the year	-
31 December 2014	<u>-</u>
<b>Net book value</b>	
31 December 2014	<u>6,450</u>

#### **Exclusive right agreement**

A related party entered into a 5-year Exclusive Right Agreement (automatically renew for a further two years unless the parties mutually agree in writing not to renew the agreement within six months before the termination date) with a company which is the distributor of Honda motorcycles in Cambodia. The agreement grants the related party exclusive rights to act as finance agent arranging hire purchase finance for motorcycles branded "Honda". On 2 May 2012, the related party granted the exclusive rights to GLF for a fee of USD 100,000 and entered into a USD 2.9 million deposit agreement under which the related party is the representative agent to contact with such company. Conditions of the deposit agreement specify that if GLF fails to meet the minimum annual sales target set, the deposit will be forfeited in proportion to the period of six years as from 2013 to 2018.

As at 31 December 2014, the fair value of exclusive right in consolidated financial statement amounted to USD 2.54 million (2013: USD 3.12 million).

#### **Acquisition during the year**

Dealer network and customer relationship included intangible assets acquired through business combinations. These dealer network and customer relationship have been granted for approximately 10.5 years and 5.5 years, respectively.

## 15. Income tax expenses/deferred tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
<b>Current income tax:</b>				
Current income tax charge	41,533	104,060	46,288	102,803
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(45,971)	(39,351)	(9,830)	(40,004)
Temporary differences from purchase of GLF	-	(56)	-	-
Temporary differences from purchase of TNB	23,572	-	-	-
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>19,134</b>	<b>64,653</b>	<b>36,458</b>	<b>62,799</b>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2014 and 2013 is as follows.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Accounting profit before tax	133,837	304,966	180,683	320,655
Applicable tax rate	20%, 17%	20%, 17%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	25,109	69,329	36,137	64,131
Effects of non-taxable income and expenses	200	(2,827)	321	(1,332)
Effects of temporary difference from appraisal fair value of exclusive right agreement	(788)	(1,849)	-	-
Effects of temporary difference from appraisal fair value of intangible assets	(324)	-	-	-
Others	(5,063)	-	-	-
<b>Total income tax expenses reported in the statement of comprehensive income</b>	<b>19,134</b>	<b>64,653</b>	<b>36,458</b>	<b>62,799</b>

As of 31 December 2014 and 2013, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b><u>Deferred tax assets</u></b>				
Allowance for doubtful accounts	115,621	80,083	88,714	80,083
Allowance for diminution of value foreclosed assets	3,542	4,368	2,237	4,368
Reserve for employee benefits	1,276	831	1,276	831
Loss brought forward	12,213	-	-	-
Others	2,734	-	-	-
Prepaid commission expenses	(17,085)	(24,304)	(17,085)	(24,304)
Accumulated depreciation and amortisation	(1,317)	-	-	-
Dealer network	(6,232)	-	-	-
Customer relationship	(122)	-	-	-
Amortised transaction cost of debentures	(2,339)	-	(2,339)	-
Amortised front end fees of short-term loan	(1,995)	-	(1,995)	-
<b>Total</b>	<b>106,296</b>	<b>60,978</b>	<b>70,808</b>	<b>60,978</b>
<b><u>Deferred tax liabilities</u></b>				
Fair value on exclusive right agreement	-	653	-	-
<b>Total</b>	<b>-</b>	<b>653</b>	<b>-</b>	<b>-</b>

The above deferred tax liabilities included the deferred tax liabilities of Baht 6.35 million from the appraised value of fair value of intangible assets at acquisition date as described in Note 2.2.

## 16. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	Income tax and value added tax refundable	67,266	48,995	60,485
Deposits	93,740	80,863	1,445	709
Others	1,339	770	1,075	770
<b>Total other non-current assets</b>	<b>162,345</b>	<b>130,628</b>	<b>63,005</b>	<b>50,474</b>



## 17. Bank overdraft and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated/Separate financial statements	
		2014	2013
Short-term loans	5.00 - 8.00	250,000	-
Bank overdraft	MOR	-	13,550
Total		<u>250,000</u>	<u>13,550</u>

On July 2014, the Company entered into a loan agreement with a financial institution, granting a 3-month credit facility of Baht 1,424 million subject to interest at MLR + 1.25% per annum. The loan is to be used to pay for the shares acquired under the sales and purchase agreement for the ordinary shares of Thanaban Company Limited, and to settle loans of Thanaban Limited with the seller, as described in Note 2.2.

As at 31 December 2014, short-term loans of the Company from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, motorcycle registrations as notified by the lender of the Company and its subsidiary, and the pledge of all shares of the subsidiary.

As at 31 December 2013, bank overdraft from financial institutions are secured by the transfer of rights of claim under hire purchase agreements, the mortgage of land and the construction thereon and/or to be constructed thereon in the future and motorcycle registrations as requested by the lender. The Company had repaid this loan at full amount during the current period.

## 18. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company, its subsidiaries and those related companies. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial		Separate financial		Pricing policy
	statements	statements	statements	statements	
	2014	2013	2014	2013	
<b>Transactions with subsidiary company:</b>					
<b>(Eliminated from consolidated financial statements)</b>					
Hire purchase interest and installment					
sales income	-	-	126	28	Contract rate
Interest income	-	-	66,111	10,750	7% per annum
Dividend income	-	-	-	10,000	As per declaration
Other income	-	-	37,703	-	Contract rate
<b>Transactions with related parties:</b>					
Interest income	2,544	3,628	-	103	6% - 9% per annum
Interest expense	19	-	-	-	6% per annum

The relationship between the Company and the related parties are summarised below.

Name of related parties	Relationship with the Company
Group Lease Holding Pte Ltd.	Subsidiary
Thanaban Company Limited	Subsidiary
GL Finance Plc.	Subsidiary (held by a subsidiary)
Asia Partnership Fund Pte., Ltd.	Company's director is major shareholders of that company / Common director
A.P.F. Group Co., Ltd.	Company's director is major shareholders of that company / Common director
Devenco Management and Consulting Co., Ltd.	Common director with GLF
Tennis Federation of Cambodia	GLF's director is general secretary of the Federation

As at 31 December 2014 and 2013, the Company and its subsidiaries had outstanding balances of significant assets and liabilities with the related parties as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Hire purchase and installment sales receivables</b>				
<b>Subsidiary company</b>				
GL Finance Plc.	-	-	1,159	-
Total	-	-	1,159	-
<b>Short-term loans to and interest receivable from related parties</b>				
<b>Subsidiary companies</b>				
Group Lease Holding Pte. Ltd.	-	-	764,515	200,499
Thanaban Co.,Ltd.	-	-	422,254	-
GL Finance Plc.	-	-	3,397	3,383
<b>Related parties</b>				
Director of subsidiary	2,293	-	-	-
Devenco Management and Consulting Co., Ltd.	31,083	51,341	-	-
Tennis Federation of Cambodia	5,049	3,821	-	-
Total	38,425	55,162	1,190,166	203,882
<b>Other current assets</b>				
<b>Subsidiary companies</b>				
Group Lease Holding Pte. Ltd.	-	-	297	-
Thanaban Co.,Ltd.	-	-	7,569	-
Total	-	-	7,866	-
<b>Share subscription payment in advance - related parties</b>				
Group Lease Holding Pte. Ltd.	-	-	-	330,815
Total	-	-	-	330,815
<b>Deposit - related party (presented as part of other non-current assets)</b>				
A.P.F. Group Co., Ltd.	70,217	65,627	-	-
Total	70,217	65,627	-	-
<b>Short-term loans from and interest payable to related party</b>				
<b>Related party</b>				
A.P.F. Group Co., Ltd.	19,797	-	-	-
Total	19,797	-	-	-
<b>Accrued expenses</b>				
<b>Subsidiary company</b>				
GL Finance Plc.	-	-	1,057	-
Total	-	-	1,057	-

As at 31 December 2014, deposits as presented under the caption of non-current assets in the consolidated financial statements, totaling Baht 70.2 million, represented a deposit of GLH that has been pledged as collateral with a related party who assisted with procurement of debentures from a financial institution. In the first quarter of 2015, GLH cancelled the debentures arrangement and, as a result, the related party returned the deposit to GLH in February 2015.

As at 31 December 2013, deposits as presented under the caption of non-current assets in the consolidated financial statements, totaling USD 2.0 million, represented a deposit of GLH that has been pledged as collateral with a related party who assisted with procurement of loans from a financial institution. In the current period, GLH cancelled the loan arrangement and, as a result, the related party returned the deposit to GLH in January 2014.

During the current year, short-term loans to and interest receivable from related parties have movement as below:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Balance as at	During the year		Gain (loss)	Exchange differences	Balance as at
	1 January 2014	Increase	Decrease	from exchange rate	on translation of financial statement in foreign currency	31 December 2014
<b>Short-term loans to and interest receivable from related parties</b>						
Director of subsidiary Devenco Management and Consulting Co., Ltd.	-	2,264	-	-	29	2,293
Tennis Federation of Cambodia	3,821	1,370	(162)	-	20	5,049
<b>Total</b>	<b>55,162</b>	<b>5,850</b>	<b>(22,823)</b>	<b>23</b>	<b>213</b>	<b>38,425</b>

Group Lease Holding Pte. Ltd. entered into the agreements with related parties to obtain unsecured loan facility with interest rate charged at the cost of funds rates of lender plus 6.75 - 7.50% per annum (2013: 6.75 - 7.50% per annum).

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the year		Gain from	Balance as at
	1 January 2014	Increase	Decrease	exchange rate	31 December 2014
<b>Short-term loans to and interest receivable from related parties</b>					
Group Lease Holding Pte. Ltd.	200,499	564,016	-	-	764,515
Thanaban Co.,Ltd.	-	903,778	(481,524)	-	422,254

GL Finance Plc.	3,383	227	(228)	15	3,397
Total	203,882	1,468,021	(481,752)	15	1,190,166

These loans to subsidiaries are unsecured loans with interest rate charged at the rates of 7.00 - 11.00% per annum (2013: 7.00% per annum).

During the current year, short-term loans from and interest payable to related party have movement as below:

(Unit: Thousand Baht)

Consolidated financial statements					
Balance as at 1 January 2014	During the year		Gain (loss) from exchange rate	Exchange differences on translation of financial statement in foreign currency	Balance as at 31 December 2014
	Increase	Decrease			
<b>Short-term loans from and interest payable to related party</b>					
A.P.F. Group Co., Ltd.	-	19,797	-	-	19,797
Total	-	19,797	-	-	19,797

These loans from related party are unsecured loans with interest rate charged at the rates of 6.00 per annum.

### **Directors and management's benefits**

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2013	2013
Short-term employee benefits	39,373	37,386	37,490	37,386
Post-employment benefits	932	1,076	932	1,076
Total	40,305	38,462	38,422	38,462

### **Warrants for directors and management**

On 15 May 2012, the Company issued 255,500 warrants (GL-WD) to subscribe to the Company's ordinary shares, to be allotted to 16 directors and management. This represents 25.55% of the Company's warrants.

On 1 November 2012, the Company issued 18,731 warrants (GL-W2) to subscribe to the Company's ordinary shares, to be allotted to 5 directors and management. This represents 0.04% of the Company's warrants.

On 2 December 2013, the Company issued 731,151 warrants (GL-W3) to subscribe

to the Company's ordinary shares, to be allotted to 9 directors and management. This represents 0.22% of the Company's warrants.

As at 31 December 2014, there are outstanding warrants (GL-WD and GL-W3) to subscribe to the Company's ordinary shares, to be allotted to existing directors and management totaling 219,500 units and 731,151 units, respectively.

## 19. Long-term loans

The long-term loans, which the Company obtained from local financial institutions, are as detailed below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	Balance		Interest rate	Repayment condition
	2014	2013	per annum	
<u>Loan agreement dated 26 May 2011</u>				
Credit facility No. 1	2,384,890	2,184,260	At the rate of MLR - 1.0% per annum	Thirty equal installments, with first installment due on the first interest payment date after drawing down loans under credit facility
<u>Loan agreement dates 21 June 2013</u>				
Credit facility No. 1	233,110	433,270	At the rate of THBFIX1M + 1.50% per annum	Thirty equal installment, with first installment due on the first interest payment date after drawing down loans under credit facility.
<u>Loan agreement dates 17 September 2013</u>				
Credit facility No. 1	279,830	479,990	At the rate of THBFIX1M + 1.50% per annum	Thirty equal installment, with first installment due on the first interest payment date after drawing down loans under credit facility.
<u>Loan agreement dates 26 December 2014</u>				
Credit facility No. 1	972,000	-	At the rate of MLR - 2.25% per annum	Eighteen equal installment, with first installment due on the second interest payment date after drawing down loans under credit facility.
Less: Deferred front end fees	(9,974)	-		
Total	3,859,856	3,097,520		
Less: Current portion	(2,547,809)	(1,808,590)		
Long-term loans, net of current portion	<u>1,312,047</u>	<u>1,288,930</u>		

Movements in the long-term loans account during the year ended 31 December 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements
Balance as at 1 January 2014	3,097,520
Add: Addition borrowings	2,794,000
Less: Repayment	(2,021,690)

Deferred front end fees	(9,974)
Balance as at 31 December 2014	<u>3,859,856</u>

On 26 May 2011, the Company entered into a loan agreement with another commercial bank obtain long-term loan facilities of Baht 500 million. The purposes of such loan are to repay the existing short-term loan and for use in the expansion of business.

During the year 2013 upto the first quarter of 2013, the Company increase the long-term credit facilities with commercial banks of loan agreement on 26 May 2011 to Baht 2,500 million. The purposes of such loan are to repay the existing short-term loan and for use in the expansion of business.

On 21 June 2013, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 500 million. The purpose of such loans are to repay the existing short-term loan and for use in the expansion of business. In order to reduce the fluctuation of interest rate risk, the Company has entered into an interest rate swap agreement covering this loan amount, whereby a floating interest rate is to be swapped for a fixed interest rate at 6.00% per annum.

On 17 September 2013, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 500 million. The purpose of such loans are to repay the existing short-term loan and for use in the expansion of business. In order to reduce the fluctuation of interest rate risk, the Company has entered into an interest rate swap agreement covering this loan amount, whereby a floating interest rate is to be swapped for a fixed interest rate at 6.00% per annum.

On 26 December 2014, the Company entered into a loan agreement with another commercial bank to obtain long-term loan facilities of Baht 972 million. The purpose of such loans are to repay the existing short-term loan and for use in the expansion of business.

The loan agreements contains covenants regarding, among other things, the maintenance of the proportion of shareholding of the major shareholders, dividend payment, and maintenance of a certain debt to equity ratio, ratio of hire purchase receivables more than three months' past due to total hire purchase receivables, ratio of total hire purchase receivables to loans, prohibition of disposal of assets or rights of claim under hire purchase agreements. Moreover, if the Company obtains new loans, the financial terms and collateral of the existing lenders must not be subordinate to those of new loans.

The loans are secured by the transfer of rights of claim under hire purchase

agreements, the mortgage of land and construction thereon and/or to be constructed thereon in the future, and motorcycle registrations as requested by the commercial banks.

As at 31 December 2014, the long-term credit facilities of the Company which have not yet drawn down amount to Baht 115.1 million (2013: Baht 315.7 million).

## 20. Debentures

The Company has issued partially secured, unsubordinated, registered debentures, as detailed below.

Debentures	Interest rate	Terms	Due date	(Unit: Thousand Baht)	
				Consolidated / Separate financial statements	
				2014	2013
Debentures 1/2014	As detail in table below	3 years	27 February 2017	500,000	-
Less: Unamortised portion of deferred transaction costs				(11,697)	-
Debentures - net				488,303	-

Details of the Company's debentures are as follows:

The Unsubordinated and partially secured Debentures of Group Lease Public Company Limited. No. 1/2014, due 2017.

Name of debentures	"The Unsubordinated and partial secured Debentures of Group Lease Plc. No. 1/2014, due 2017"
Amount	Baht 500 million
Term	3 years, starting from date of issuance
Issued date	27 February 2014
Interest rate	From 27 August 2014 to 29 September 2014, interest rate at 4.17% p.a. from 30 September 2014 to the redemption date, interest rate at 4.55% p.a.
Interest payment schedule	Twice a year on 27 February and 27 August, starting from 27 August 2014
Principal repayment	On the redemption date of 27 February 2017
Covenants	Maintenance of debt to equity ratio, hire purchase receivable ratio and restriction on dividend payment and disposal and transfer of assets
Guarantee	Partial guaranteed by a financial institution as disclosed in Note 30.4

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2014	2013
<b>Defined benefit obligation at beginning of year</b>	4,157	2,774
Current service cost	630	1,081
Interest cost	182	117
Benefits paid during the year	(747)	(360)
Actuarial loss	2,157	545
<b>Provisions for long-term employee benefits at end of year</b>	<b>6,379</b>	<b>4,157</b>

Long-term employee benefit expenses included in the profit or loss was as follows:

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2014	2013
Current service cost	630	1,081
Interest cost	182	117
Actuarial loss recognised during the year	2,157	545
<b>Total expense recognised in profit or loss</b>	<b>2,969</b>	<b>1,743</b>
Line items under which such expenses are included in profit or loss:		
Services and administrative expenses	2,969	1,743

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated / Separate	
	financial statements	
	2014	2013
	(% per annum)	(% per annum)
Discount rate	3.6	4.4
Future salary increase rate (depending on age)	7.0	7.0
Staff turnover rate	15.88	15.88

Amounts of defined benefit obligation for the current and previous four periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	Experience adjustments arising on the plan liabilities
	Consolidated / Separate financial statements	Consolidated / Separate financial statements
Year 2014	6,379	1,912
Year 2013	4,157	510
Year 2012	2,774	(104)
Year 2011	1,735	(1,127)
Year 2010	3,519	-

## 22. Treasury stocks

### ***The Share Repurchase Program for the purpose of financial management***

On 30 April 2014, the annual general meeting of the Company's shareholders approved the Share Repurchase Program for the purpose of financial management. However, the Company did not buy back any of its ordinary shares during that period, and there were no treasury shares as of 31 December 2014.

On 6 May 2014, the Company amended Article 12 of the Company's Articles of Association, to enable the Company to repurchase its shares.

## 23. Share capital

### **23.1 Resolutions of the Annual General Meeting of the shareholders**

On 30 April 2014, the Annual General Meeting of the Company's shareholders passed the following significant resolutions:

- 1) Approved the following allocation of the Company's legal reserve and payment of dividend from the operating results of the year 2013:
  - Allocation of 10% of registered capital, amounting to Baht 15.05 million, to the legal reserve.

- Payment of dividend totaling no more than Baht 167.91 million to the Company's shareholders. During the year 2013, the Company paid an interim dividend to the shareholders, in the form of a cash dividend totaling Baht 109.48 million, or Baht 0.11 per share. The interim dividend was paid on 27 August 2013 and, as a result, a dividend of Baht 0.0409 - 0.0570 per share, amounting to Baht 58.43 million, is be paid to the shareholders from the 2013 operating results on 28 May 2014.
- 2) Approved the amendment of Article 12 of the Company's Articles of Association, to enable the Company to repurchase its shares.
- 3) Acknowledged a treasury stock program for the purpose of financial management. The details are as follow:
- The repurchase period is to be set after a meeting of the shareholders has passed a resolution approving the amendment of the Articles of Association to enable the Company to repurchase its shares.
  - The maximum budget for the share repurchase is Baht 330 million.
  - A total of 51,252,115 shares are available for repurchase with a par value of Baht 0.50 per share, equivalent to 5% of the total paid-up capital.
  - These shares are to be repurchased through the Stock Exchange of Thailand, by means of offerings to general shareholders. The repurchase price must not exceed 115% of the weighted average closing price over the latest 5 trading days.
  - The Board of Directors will reconsider the procedures for share distribution after the share repurchase scheme is complete (more than 6 months but not more than 3 years after completion date of the scheme). The resale price will not be set at no less than 85% of the weighted average closing price over the 5 trading days before the sale.
  - The treasury stocks carry no rights to receive dividend.

### **23.2 Additional share subscription received from the exercise of warrants**

During the current year, the Company received additional share subscription totaling Baht 180.6 million from the exercise of warrants, as detailed below.

	<u>Warrant</u>	<u>Ordinary share</u>	<u>Exercise price</u>	<u>Amount</u>
	(units)	(shares)	(Baht/share)	(Million Baht)
GL-W2 (before change in par value)	5,159,075	61,062,674	2.95708	180.6

As at 31 December 2014, the Company had share premium amounting to Baht 1,084.3 million as a result of the capital increases (2013: Baht 933.7 million).

### 23.3 Reconciliation of number of ordinary shares

Movements in the number of ordinary shares, the paid-up share capital and premium on ordinary shares are as follows:

	Number of ordinary shares (Thousand Shares)	Paid-up capital (Thousand Baht)	Premium on ordinary shares (Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the year	1,024,707	512,353	933,680
Increase in capital from exercising of the rights of the warrants	61,063	30,532	150,552
Transfer warrants to share premium	-	-	22
At the end of the year	<u>1,085,770</u>	<u>542,885</u>	<u>1,084,254</u>

### 24. Warrants/Capital reserve for share-based payment transactions

As at 31 December 2014, details of the warrants of the Company are as follows:

Type of warrant	Issue to	Issuance date of warrant	Number of warrants original issued	Warrant offer price	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
GL-W2	Existing shareholders	1 November 2012	22,775,694 unit	Baht 0.10	2 years	Baht 2.95708	11.8360 ordinary share
GL-W3	Existing shareholders	2 December 2013	332,783,154 unit	-	2 years	Baht 10	1 ordinary share
GL-WD	Directors and employees	15 May 2012	1,000,000 unit	-	3 years	Baht 1.65766	11.8360 ordinary share

During the current year, the movements of warrants of the Company are as follows:

Type of warrant	Number of warrants outstanding as at 1 January 2014	Number of warrants exercised during the year	Number of warrant expired/cancelled during the year	Number of warrants outstanding as at 31 December 2014
GL-W2	5,356,893	(5,130,675)	(226,218)	-
GL-W3	332,783,154	-	-	332,783,154
GL-WD	872,400	-	(64,100)	808,300

On 1 November 2014, 226,218 GL-W2 warrants which had not been exercised by the warrant holders and already expired. The Company therefore transferred the outstanding balance of warrants of Baht 0.02 million to share premium in the statement of financial position.

Up to 31 December 2014, the Company cancelled a total of 200,700 warrants (GL-WD) to purchase ordinary shares of the Company that had been allocated to the directors and management of the Company, because the directors and management who held those warrants had resigned, thus breaching the conditions under which the warrants were received.

On 15 May 2012, the Company issued 1,000,000 warrants (GL-WD) to subscribe to the Company's ordinary shares, to be allotted to directors and employees of the Company free of charge. The warrants are to have an adjust exercise ratio of 1 warrant per 11.8360 ordinary shares, an adjust exercise price of Baht 1.65766 per share, and a term of 3 years from the first issue date. The estimated fair value of each share option granted is Baht 4.08. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 24.9, exercise price of Baht 19.62, expected volatility of 32.85%, expected dividend yield of 8.62%, contractual life of 3 years, and a risk-free interest rate of 3.44%.

The distribution of the stock dividend and the change in the par value of the shares in the year 2013 did not modify the terms and conditions of the plan, and did not change the fair value of the capital reserve for share-based payment transactions. As a result, there is no change in the fair value of the share options.

During the year ended 31 December 2014, the Company recorded expenses of the GL-WD plan amounting to Baht 1.36 million as personnel expenses (2013: Baht 1.36 million).

## 25. Dividends/stock dividends

Dividends and stock dividends declared in the year 2014 consist of the following:

Dividends/stock dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 30 April 2014	56,897	0.0568
Total dividends and stock dividends for the year 2014		56,897	0.0568

Dividends and stock dividends declared in the year 2013 consist of the following:

Dividends/stock dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Outstanding balance of interim dividend on operating results during 1 January 2012 to 30 September 2012	Board of Directors meeting on 12 March 2013	69,532	1.00
Final dividends for 2012	Annual General Meeting of the shareholders on 26 April 2013	8,036	0.10
Stock dividends for 2012	Annual General Meeting of the shareholders on 26 April 2013	72,321	0.92
Dividend on 2013 half-year operating result	Board of Directors meeting on 27 August 2013	109,480	0.11
Total dividends and stock dividends for the year 2013		259,369	2.13

## 26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

## 27. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salary and wages and other employee benefits	297,125	181,166	216,952	166,646
Service agreement expenses	38,851	40,904	37,531	40,825
Debt following expenses	24,426	21,136	22,854	21,136
Depreciation	17,168	10,601	9,445	9,028
Amortisation	21,256	9,425	-	-
Registration fee	5,526	7,785	2,652	7,785
Professional fee	7,216	4,816	2,998	2,427

## 28. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, as discussed in the above paragraph, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share and diluted earnings per share.

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit for the year	114,704	240,313	1,052,988	953,579	0.109	0.252
<b>Effect of dilutive potential ordinary shares</b>						
GL-W2	-	-	17,059	91,829		
GL-WC	-	-	-	771		
GL-WD	-	-	7,322	9,241		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	114,704	240,313	1,077,369	1,055,420	0.106	0.228

Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2014	2013	2014	2013	2014	2013	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit for the year	144,225	257,856	1,052,988	953,579	0.137	0.270
<b>Effect of dilutive potential</b>						
<b>ordinary shares</b>						
GL-W2	-	-	17,059	91,829		
GL-WC	-	-	-	771		
GL-WD	-	-	7,322	9,241		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	144,225	257,856	1,077,369	1,055,420	0.134	0.244

However, no calculation of diluted earnings per share for the year ended 31 December 2014 was required for warrant (GL-W3), as disclosed in Note 24, since the aggregated amounts of the exercise price and the fair value of the warrant were higher than the average market price of the Company's ordinary shares.

## 29. Provident fund

The Company and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 3% of basic salary. The fund, which is managed by Ayudhya Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the years 2014 and 2013, the Company contributed Baht 5.3 million and Baht 2.6 million, respectively to the fund.

## 30. Commitments

### 30.1 Capital commitments

As at 31 December 2014, the Company had capital commitments of approximately Baht 14.26 million, relating to the purchase of software license (2013: Baht 16.55 million).

### 30.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land and office building space. The terms of the agreements are generally between 1 and 5 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	Consolidated financial statement			
	2014		2013	
	<u>Thousand Baht</u>	<u>Thousand USD</u>	<u>Thousand Baht</u>	<u>Thousand USD</u>
Payable:				
In up to 1 year	10,342	14	3,586	11
In over 1 and up to 5 years	9,291	-	2,075	-

	Separate financial statement			
	2014		2013	
	<u>Thousand Baht</u>	<u>Thousand USD</u>	<u>Thousand Baht</u>	<u>Thousand USD</u>
Payable:				
In up to 1 year	7,644	14	3,586	11
In over 1 and up to 5 years	6,769	-	2,075	-

### 30.3 Service commitments

As at 31 December 2014, the Company is required to pay fees of USD 0.10 million, JPY 0.50 million and THB 0.70 million per month to individuals who are employees of related party, for consultancy relating to overseas investment (2013: USD 0.04 million, JPY 0.20 million and THB 0.90 million per month).

### 30.4 Guarantees

As at 31 December 2014, there was outstanding bank guarantee of approximately Baht 300 million issued by the bank on behalf of the Company in respect of debentures guarantee and amounting to Baht 0.3 million in respect of electricity and use of post services guarantees (2013: Baht 0.3 million).

### 31. Financial information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of Directors.

For management purposes, the Company and its subsidiary are organised into business units based on its services and have two reportable segments as follows:

- Hire purchase services for motorcycles segment
- Financial advisory and other investment holding company segment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2014 and 2013, respectively.

(Unit: Thousand Baht)

	For the year ended 31 December 2014				
	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	1,666,739	-	1,666,739	-	1,666,739
Other income	165,160	40,175	205,335	-	205,335
Inter-segment revenue	105,030	51,063	156,093	(156,093)	-
Total revenue	1,936,929	91,238	2,028,167	(156,093)	1,872,074
Financial cost	(316,620)	(29,333)	(345,953)	95,535	(250,418)
Depreciation and amortisation	(18,340)	-	(18,340)	(20,084)	(38,424)
Bad debts and doubtful accounts	(494,857)	-	(494,857)	-	(494,857)
Loss on disposals of foreclosed assets	(431,820)	-	(431,820)	-	(431,820)
Services and administrative expenses	(528,789)	(48,998)	(577,787)	55,070	(522,717)
Income tax expense or income	(24,049)	3,803	(20,246)	1,112	(19,134)

<b>Segment profit</b>	<b>122,454</b>	<b>16,710</b>	<b>139,164</b>	<b>(24,460)</b>	<b>114,704</b>
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(Unit: Thousand Baht)

## For the year ended 31 December 2014

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
<b>Segment total assets</b>					
Additions to non-current assets other than financial instruments and deferred tax assets	46,806	5,339	52,145	60,857	113,002
<b>Segment total liabilities</b>	2,222	-	2,222	-	2,222

(Unit: Thousand Baht)

## For the year ended 31 December 2013

	Hire Purchase service	Financial advisory and investment holding	Total reportable segments	Adjustments and eliminations	Consolidated
Hire purchase interest income	1,258,280	-	1,258,280	-	1,258,280
Other income	173,531	39,729	213,260	-	213,260
Inter-segment revenue	20,778	5,733	26,511	(26,511)	-
Total revenue	1,452,589	45,462	1,498,051	(26,511)	1,471,540
Financial cost	(151,576)	(10,565)	(162,141)	16,433	(145,708)
Depreciation and amortisation	(11,042)	-	(11,042)	(8,983)	(20,025)
Bad debts and doubtful accounts	(343,635)	-	(343,635)	-	(343,635)
Loss on disposals of foreclosed assets	(314,387)	-	(314,387)	-	(314,387)
Services and administrative expenses	(330,314)	(5,863)	(336,177)	(6,642)	(342,819)
Income tax expense or income	(62,888)	(3,614)	(66,502)	1,849	(64,653)
<b>Segment profit</b>	<b>238,747</b>	<b>25,420</b>	<b>264,167</b>	<b>(23,854)</b>	<b>240,313</b>
<b>Segment total assets</b>					
Additions to non-current assets other than financial instruments and deferred tax assets	127,800	69,187	196,987	47,682	244,669
<b>Segment total liabilities</b>	1,383	-	1,383	-	1,383

## Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	2014	2013
Revenue from external customers		
Thailand	1,704,426	1,420,887
Cambodia	127,473	10,925
Singapore	40,175	39,729
Total	<u>1,872,074</u>	<u>1,471,541</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	154,351	61,727
Cambodia	184,618	169,579
Singapore	74,526	69,187
Total	<u>413,495</u>	<u>300,493</u>

## 32. Financial instruments

### 32.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, hire purchase and installment sales receivables, short-term loan to, pledged fixed deposit at financial institution, accounts receivable and loans to employees, bank overdraft and short-term loans from financial institutions and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company is exposed to credit risk primarily with respect to hire purchase and installment sales receivables. The Company manages the risk by adopting appropriate credit control policies and procedures. In addition, the Company does not have high concentration of credit risk since it has a large customer base. Therefore, the Company does not expect to incur material financial losses in excess of the allowance for doubtful accounts it has already provided.

### **Interest rate risk**

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions, hire purchase and installment sales receivables, pledged fixed deposit at financial institution, accounts receivable and loans to employees, bank overdraft and short-term loans from financial institutions and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2014 and 2013 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2014					
	Fixed interest rates		Floating	Non-	
	Within	1 - 5	Floating	interest	
	1 year	years	interest rate	bearing	Total
<b>Financial assets</b>					
Cash and cash equivalent	-	-	51.28	306.17	357.45
Hire purchase and installment sales receivables, net	3,163.95	2,922.44	-	-	6,086.39
Short-term loans and interest receivable	24.78	-	-	-	24.78
Short-term loans and interest receivable from related parties	38.42	-	-	-	38.42
Deposits at bank with restrictions	0.32	-	-	-	0.32
Receivables and loans to employees	-	-	-	0.45	0.45
	<u>3,227.47</u>	<u>2,922.44</u>	<u>51.28</u>	<u>306.62</u>	<u>6,507.81</u>
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	-	-	250.00	-	250.00
Trade and other payables	-	-	-	9.08	9.08
Short-term loans from and interest payable to related party	19.80	-	-	-	19.80
Long-term loans	395.80	115.00	3,349.06	-	3,859.86
Debentures	-	488.30	-	-	488.30
	<u>415.60</u>	<u>603.30</u>	<u>3,599.06</u>	<u>9.08</u>	<u>4,627.04</u>

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2013

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within	1 - 5			
	1 year	years			
<b>Financial assets</b>					
Cash and cash equivalent	-	-	7.63	312.91	320.54
Hire purchase and installment sales receivables, net	2,208.37	2,323.22	-	-	4,531.59
Short-term loans and interest receivable	23.37	-	-	-	23.37
Short-term loans to related parties	55.16	-	-	-	55.16
Deposits at bank with restrictions	0.32	-	-	-	0.32
Receivables and loans to employees	-	-	-	0.24	0.24
	<u>2,287.22</u>	<u>2,323.22</u>	<u>7.63</u>	<u>313.15</u>	<u>4,931.22</u>
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	-	-	13.55	-	13.55
Trade and other payables	-	-	-	4.32	4.32
Long-term loans	-	-	3,097.52	-	3,097.52
	<u>-</u>	<u>-</u>	<u>3,111.07</u>	<u>4.32</u>	<u>3,115.39</u>

(Unit: Million Baht)

## Separate financial statements as at 31 December 2014

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within	1 - 5			
	1 year	years			
<b>Financial assets</b>					
Cash and cash equivalent	-	-	0.31	70.85	71.16
Hire purchase and installment sales receivables, net	2,330.50	2,202.28	-	-	4,532.78
Short-term loans to and interest receivable from related parties	1,190.17	-	-	-	1,190.17
Deposits at bank with restrictions	0.32	-	-	-	0.32
Receivables and loans to employees	-	-	-	0.20	0.20
	<u>3,520.99</u>	<u>2,202.28</u>	<u>0.31</u>	<u>71.05</u>	<u>5,794.63</u>
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	-	-	250.00	-	250.00
Trade and other payables	-	-	-	6.35	6.35
Long-term loans	395.80	115.00	3,349.06	-	3,859.86
Debentures	-	488.30	-	-	488.30
	<u>395.80</u>	<u>603.30</u>	<u>3,599.06</u>	<u>6.35</u>	<u>4,604.51</u>

(Unit: Million Baht)

## Separate financial statements as at 31 December 2013

	Fixed interest rates			Non-Interest bearing	Total
	Within	1 - 5	Floating		
	1 year	years	interest rate		
<b>Financial assets</b>					
Cash and cash equivalent	-	-	1.35	84.81	86.16
Hire purchase and installment sales receivables, net	2,145.48	2,275.92	-	-	4,421.40
Short-term loans to and interest receivable from related parties	203.88	-	-	-	203.88
Deposits at bank with restrictions	0.32	-	-	-	0.32
Receivables and loans to employees	-	-	-	0.24	0.24
	<u>2,349.68</u>	<u>2,275.92</u>	<u>1.35</u>	<u>85.05</u>	<u>4,712.00</u>
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	-	-	13.55	-	13.55
Trade and other payables	-	-	-	3.22	3.22
Long-term loans	-	-	3,097.52	-	3,097.52
	<u>-</u>	<u>-</u>	<u>3,111.07</u>	<u>3.22</u>	<u>3,114.29</u>

**Foreign currency risk**

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries are summarised below.

	Consolidated financial statements				Separate financial statements				Average exchange rate as at 31 December	
	Financial assets as at		Financial liabilities as at		Financial assets as at		Financial liabilities as at			
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December		
<b>Foreign currency</b>	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	-	1.04	-	-	0.22	0.11	-	0.04	32.9630	32.8136
JPY	21.33	20.56	-	-	-	-	-	-	0.2738	0.3130
SGD	0.04	-	0.01	-	-	-	-	-	24.6613	25.8826
HKD	0.01	-	-	-	-	-	-	-	4.2516	4.2316

## **32.2 Fair values of financial instruments**

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear interest rates which are close to the market rates, their fair values are not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

The Company and its subsidiaries have estimated the fair value of financial instruments as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents and short-term loans to, accounts payable and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- b) For hire purchase and installment sales receivables, fair value is stated net of unearned hire purchase interest income and allowance for doubtful accounts.
- c) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statements of financial position approximate their fair value.

The Company has entered into Interest Rate Swap Transaction Agreements with one bank of which the balance as at 31 December 2014 amounts to Baht 512.94 million. The contracts have 24 - 30 installments and mature in December 2015 - June 2016. At each of the maturity dates, the Company is required to pay interest to the bank based on a fixed rate stipulated in the agreements (6.00% p.a.) and the bank is required to pay interest to the Company at the floating rate plus a stipulated rate. The agreement contains other conditions. The Company would have had unrealised losses of approximately Baht 10.11 million, if it had recorded the above contracts at fair value.

## **33. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was

1.89:1 (2013: 1.43:1) and the Company's was 1.86:1 (2013: 1.43:1).

**34. Approval of financial statements**

These financial statements were authorised for issue by the Company's authorised directors on 19 February 2014.



63 Soi 1 Thetsabannimitrtai Road, Ladyao  
Chatuchak, Bangkok 10900.

Tel. : 0 2580 7555

Fax : 0 2954 2902-3

Email : [glpcl@grouplease.co.th](mailto:glpcl@grouplease.co.th)